Procurement Operations Manual

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FOREWORD

This *Procurement Operations Manual* (POM) is the result of a collaborative effort by personnel from the procurement, legal and technical communities of Argonne National Laboratory to streamline procurement practices. It reflects changes brought about by the Federal Acquisition Streamlining Act (FASA) and successive statutory and regulatory changes, together with the Prime Contract with the Department of Energy (DOE). This manual provides procurement personnel with a flexible set of tools to facilitate the timely processing of purchase requirements from the Argonne requisitioning community.

Maintaining the POM so that it reflects Argonne's current position/requirements on Procurement policy and procedures is the responsibility of the Procurement Department. Each section of the POM will be reviewed as needed, but at least annually, and revised as appropriate to incorporate changes. The revised document (or significant revisions to the document) will be reviewed by Procurement management and selected other Laboratory program and/or support divisions which are affected by the revision(s), approved by the Legal Department and Procurement Manager, and forwarded to DOE for information or approval, commensurate with the significance of the revision.

The POM is organized to reflect the major phases of the procurement process. Chapter 1 describes the basic policies and definitions affecting procurement activities at Argonne, while Chapter 2 addresses issues, concerns, and points of consideration for Argonne procurement customers. Chapter 3 describes basic procurement processes applicable to all types of procurements. Thus, the first three chapters of the manual provide a common base for acquisitions personnel and customers to facilitate effective communication and permit timely acquisition support.

Chapters 4 through 7 of the POM provide procurement personnel detailed guidelines on the four basic functional categories of procurements at Argonne. The four basic categories of procurement are:

1. Commercial;

2. Non-Commercial;

3. Construction; and

4. Architect-Engineer.

Within each of these four functional categories, five core procurement processes are defined as:

1. Pre-Solicitation Preparation;
2. Solicitation;
3. Evaluation and Award;
4. Contract Order Administration; and
5. Contract Order Closeout.

Next, Chapters 8 and 9 discuss DOE Specific Requirements and Argonne Specific Requirements applicable to procurement transactions that procurement personnel follow prior to making awards to suppliers.

Chapter 10 provides procurement personnel reference points for approved Argonne business terms; Argonne approved Terms and Conditions, Appendices, and Clauses, and a List of Forms that procurement personnel use on a daily basis. Chapter 10 also provides procurement personnel with a list of Argonne approved Standard Solicitation and Contract Formats available on shared computer directories within the Procurement Department.

In conclusion, the POM provides both procurement personnel and procurement customers with an effective framework through which they may buy necessary goods and services in an efficient and timely manner. Likewise, the manual provides procurement personnel the flexibility to handle a wide range of procurement scenarios by exercising sound business judgement.

Elizabeth A. O'Connor
Acting Chief Financial Officer

1 GENERAL PROCUREMENT INFORMATION

Information regarding the manner in which procurement activities will be conducted is now located in LMS-POL-3, Procurement Guiding Principles.

1.1 DEFINITIONS

access authorization – an administrative determination made by requisitioners and Argonne security that signifies suppliers will have access to classified areas, classified material, or special nuclear materials, or be in possession of classified material or special nuclear materials. All procurements involving access authorizations require an affirmative Facility Clearance by the Department of Energy (DOE) or DOD *prior to AWARD*.

addendum – revision to the technical specification or statement of work normally prepared by technical personnel that is incorporated into solicitations, purchase orders, or contracts by procurement personnel.

advance payments – advances of money made to a supplier prior to, in anticipation of, and for the purpose of complete performance under a contract or purchase order. Since they are not measured by performance, they differ from partial, progress, or other payments measured and made on the basis of performance. Advance payments are the ***least desired*** method of supplier financing due to the potential risk to the Laboratory.

amendment – a written revision to a Request for Proposal (RFP), Request for Quotation (RFQ), or Invitation for Bid (IFB).

AMOS (Automated Materials Ordering System) – a collection of blanket agreements for commonly used supplies.

approval – a written or electronic authorization to proceed with a proposed transaction based upon review of a Procurement process document.

approval to proceed – a verbal authorization to proceed with a moderate or low risk on-site work issued by the Technical Representative only after award of purchase order/subcontract by Procurement and compliance with applicable ESH requirements.
Note: The "Approval to Proceed" is in contrast to the "Notice to Proceed" issued by Procurement, or designee, approved by the Procurement Manager and identified in the contract, for High Risk Purchase Orders/Subcontracts.

architect-engineer services – licensed professional services associated with research, development, design and construction alteration or repair of real property, as well as incidental services that members of these professions and those in their employ may logically or justifiably

perform. These include studies, investigations, surveys, evaluations, consultations, planning, programming, conceptual design, plans and specifications, preparation of operating and maintenance manuals, cost estimating, value engineering, technical support to field inspection and other related services.

Argonne Materials Management System (AMMS) – an automated system integrated with PARIS for controlling and processing stores stock levels, issues, requisitions, and material receipts. In addition, data is supplied for the automated preparation of purchase orders, standing agreements' releases, and receiving documents. Computer handling and analysis of bids for multi-item blanket agreements are also provided.

assignment of claims – the transfer by the supplier to a bank, trust company, or other financial institution of the supplier's right to be paid by the Laboratory for contract performance, subject to setoffs and Laboratory approval.

audit – a systematic examination of a supplier's or prospective supplier's accounting records and documents by a professional contract cost auditor.

award – notification by the Laboratory of acceptance or a counter-offer of an offer that has been made by an offeror and may be verbal or written, in accordance with applicable policy and procedures.

award document – a purchase order, contract, agreement, task order, work order or any other written or electronic document used to record the agreements between the Laboratory and suppliers.

best value source selection technical criteria – the criteria Laboratory personnel incorporate into a solicitation and use to evaluate appropriate technical and management capabilities of potential suppliers.

best value source selection process – a negotiation process whereby a tradeoff or analysis between the technical and management differences of suppliers, and their respective prices, are made by the source selection official to determine if these differences justify paying the cost differential, if any, between potential suppliers.

blanket agreements – a bilateral procurement document with negotiated terms and conditions to be applied to future work by the issuance of purchase orders, task orders or work orders to be signed by both parties. Blanket agreements include basic ordering agreements, blanket purchase agreements or similar type arrangements that do not obligate funds with the original agreement.

capital (financial) lease (equipment) – any lease in which the lessor expects to recoup his investment plus profit during the term of the contract. The components that make up the monthly payment on a financial lease include the cost of money (interest), depreciation rate (determined by the length of lease), and the lessor's fee. Also, any lease in which the total payments during the term of the lease exceed 90% of the purchase price, or in which the total term of the lease exceeds 75% of the projected useful life of the equipment is considered a capital lease. ***Prior DOE approval is required prior to the issuance of a solicitation for a lease that is determined to be a capital lease.***

certificate of commercial pricing – a form signed by the supplier that certifies that, to the best of its knowledge, the prices offered to the Laboratory under its offer/proposal for those *items of supply or services* are no higher than any other price charged to any customer, including any governmental instrumentality, during the preceding ninety (90) days.

certificate of current cost or pricing data – a form signed by the supplier that certifies that to the best of its knowledge and belief, the cost or pricing data submitted in a proposal was accurate, complete, and current as of the date of agreement on price or, if applicable, another date agreed upon between the parties that is as close as practicable to the date of agreement on price. Certification by the supplier is required for noncommercial procurement actions that have a value of $700,000 or greater.

change order – a unilateral or bilateral revision to an existing purchase order or contract prepared by procurement personnel.

classified information – certain information requiring protection against unauthorized disclosure in the interests of national defense and security or foreign relations of the United States pursuant to federal statute or executive order. The term includes Restricted Data, Formerly Restricted Data, and National Security Information. The potential damage to the national security of each is denoted by the classification levels Top Secret, Secret, or Confidential.

commercial item – means:

1. Any item, other than real property, that is of a type customarily used by the general public or by nongovernmental entities for purposes other than governmental purposes, and that:

    a. Has been sold, leased, or licensed to the general public; or

    b. Has been offered for sale, lease, or license to the general public.

2. Any item that evolved from an item described in paragraph 1 of this definition through advances in technology or performance and that is not yet available in the commercial

marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a government or Laboratory solicitation.

3. Any item that would satisfy a criterion expressed in paragraphs 1 or 2 of this definition, except for:

   a. Modifications of a type customarily available in the commercial marketplace; or

   b. Minor modifications of a type not customarily available in the commercial marketplace made to meet federal government or Laboratory requirements. Minor modifications means modifications that do not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final product. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.

4. Any combination of items meeting the requirements of paragraphs 1, 2, 3, or 5 of this definition that are of a type customarily combined and sold in combination to the general public.

5. Installation services, maintenance services, repair services, training services, and other services if:

   a. Such services are procured for support of an item referred to in paragraph 1, 2, 3, or 4 of this definition, regardless of whether such services are provided by the same source or at the same time as the item; and

   b. The source of such services provides similar services contemporaneously to the general public under terms and conditions similar to those offered to the federal government.

6. Services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standard commercial terms and conditions. This does not include services that are sold based on hourly rates without an established catalog or market price for a specific service performed. For purposes of these services:

   a. Catalog price means a price included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or vendor, is either published or otherwise available for inspection by customers, and states prices at which sales are currently, or were last made to a significant number of buyers constituting the general public; and

b. Market prices means current prices that are established in the course of ordinary trade between buyers and sellers free to bargain and that can be substantiated through competition or from sources independent of the offerors.

7. Any item, combination of items, or service referred to in paragraphs 1 through 6, notwithstanding the fact that the item, combination of items, or service is transferred between or among separate divisions, subsidiaries, or affiliates of a contractor.

8. A nondevelopmental item, if the Laboratory agency determines the item was developed exclusively at private expense and sold in substantial quantities, on a competitive basis, to multiple state and local governments.

9. “Commercial Information Technology” means any equipment, or interconnected system(s) or subsystem(s) of equipment that is used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.

   (1) For purposes of this definition, equipment is used by an agency if the equipment is used by the agency directly or is used by a contractor under a contract with the agency that requires:

      (i) Its use, or

      (ii) To a significant extent, its use in the performance of a service or the furnishing of a product.

   (2) The term “information technology” includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources.

   (3) The term “information technology” does not include any equipment that:

      (i) Is acquired by a contractor incidental to a contract; or

      (ii) Contains imbedded information technology that is used as an integral part of the product, but the principal function of which is not the acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For example, HVAC (heating, ventilation, and air conditioning) equipment, such as thermostats or temperature control devices, and medical equipment where information technology is integral to its operation, are not information technology.

Commercially available off-the-shelf (COTS) item –

1. Means any item of supply (including construction material) that is:

    a. A commercial item (as defined in hereinabove)

    b. Sold in substantial quantities in the commercial marketplace, and

    c. Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

2. Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702, such as agricultural products and petroleum products.

competition – effective competition exists when it is expected that two or more responsive and responsible suppliers will submit independently prepared offers in response to a solicitation. When only one response is received the award is still considered competitive if price analysis alone supports price reasonableness on the one proposal received. Other acceptable definitions for effective competition are:

1. **Rotation:** Under blanket agreements, it is the method whereby the opportunity to quote on a specific requirement is offered to suppliers on a rotating basis;

2. **Mini-competition:** Under blanket agreements, it is the method whereby the opportunity to quote on a specific requirement is offered to two or more blanket holders, and selection is based on an evaluation of those quotes; and

3. **Government Source:** An acquisition is made using a government supply source.

competitive range – the post evaluation, pre-award phase of a negotiated procurement, where one or more suppliers is identified for continued negotiations.

complex items – any item with quality characteristics, not wholly visible in the end item, for which contractual conformance must be established through precise measurements, tests and controls during purchasing, manufacturing, assembly, and functional operations, either as an individual item or in conjunction with other items.

confidentiality – the protection of information that pertains to any procurement activity. The Procurement Department may request that technical evaluators and members of technical evaluation teams certify that they will restrict their use of information contained in any supplier proposal to Argonne for evaluation purposes; refrain from making photocopies, or otherwise recording information contained in a proposal, refrain from discussing a proposal outside of the

evaluation proceedings with anyone, including the originator of the proposal, without prior written approval of the Procurement Department, return all proposal materials to the Procurement Department and exercise reasonable caution in the handling of proposals to prevent inadvertent access by others.

conflict of interest – when a Laboratory employee's personal interest conflicts with, or gives the appearance of conflicting with the interest of the Laboratory, or the government and may influence a procurement decision to be made on behalf of the Laboratory. Such occurrence must be brought to the attention of Procurement management.

conforming – process of distributing fully executed contracts, purchase orders, or blanket agreements.

consultant – services made available by private individuals acting in their own behalf who provide expert advisory services of a technical or professional nature on a fee or per diem basis. These individuals are usually exceptionally qualified, by education or experience, in a particular field.

contract – a bilateral written document between the Laboratory and a supplier. Contracts, for the breach of which the law provides a remedy, consist of articles, general terms and conditions, statements of work, specifications, if applicable, intellectual property provisions, and other attachments as required.

cost analysis – a method used by procurement to determine that the suppliers proposed offer is fair and reasonable. Procurement evaluates the individual elements of cost in the offer, i.e., material, labor, indirect costs, and profit/fee. This analysis includes an appropriate verification of the cost or pricing data and the projections based on the data to determine the effect on price factors such as cost necessity, allowance for contingencies, and the basis used for allocation of indirect costs.

cost reimbursement – a category of contract types that allows for the reimbursement of allowable, allocable, and reasonable costs incurred in accordance with the contract scope of work.

cost plus fixed fee – contract type whereby the supplier is reimbursed for the actual costs incurred and a fixed-fee based on the original award estimate.

cost accounting standards (CAS) – federal standards designed to provide consistency and coherence in supplier accounting systems.

cost or pricing data – all facts existing up to the time of agreement on price that prudent buyers and sellers would reasonably expect to have a significant effect on price negotiations.

Cost and pricing data must be factual, and therefore verifiable. Such data does not reflect on the accuracy of the supplier's or prospective supplier's judgment about estimated costs or projections, but rather on the data upon which the judgments are based.

cure notice – a warning letter sent to a supplier to remedy a purchase order or contract deficiency within a stated period of time.

critical or risk-associated applications – those situations in which the failure of an item would injure personnel, jeopardize a Laboratory program, or pose an environmental or nuclear hazard. Such procurements require additional Environmental Safety and Health (ESH), Security (SEC) or Quality Assurance (QA) requirements as deemed necessary by the requisitioner. When reviewing a purchase requisition, the buyer/contract specialist should insert any additional contract provisions deemed necessary to ensure that Laboratory, ES&H, QA and SEC requirements are satisfied.

Davis-Bacon Act – a federal statute that requires all laborers and mechanics employed on federally funded construction, alteration, or repair contracts in excess of $2,000 to be paid the prevailing local wage rates and fringe benefits.

debarred list – a federal government listing of suppliers prohibited from receiving awards in excess of $30,000 from the Laboratory unless prior written notification is given to DOE.

debriefing – an explanation given by the Procurement Department to a supplier on the relative strengths and weakness of their *unsuccessful* proposal.

decentralized procurement representatives – an individual specifically delegated authority from the Procurement manager to procure specific requirements on behalf of the Laboratory (AMOS, field changes, etc.) in accordance with the terms of the subcontract. Delegations will be made in writing.

design-build – a method of construction contracting that combines the architectural, engineering, and construction services required for a project into a single agreement. Under such an agreement, Argonne contracts with a single entity; the contractor providing the end product is responsible for both design and construction. That contractor is responsible for any deficiencies or defects in the design, except to the extent that such responsibility is specifically waived or limited by the contract. It is also called "turnkey" construction.

economic price adjustment – an upward or downward adjustment to a contract price based on a predetermined price index as defined in the contract.

engineering change proposal (ECP) – a request issued by Facilities Management and Services (FMS) or Environment, Safety, Health and Quality Assurance (ESQ) that must be

included in a purchase requisition and submitted to procurement to initiate a change to an existing construction contract. This form must be complete, accurate, and include appropriate funding and required approvals.

equal employment opportunity (EEO) compliance review – a pre-award review performed by the federal government on suppliers who are candidates for awards estimated (including options) to be $1,000,000 or more for nonconstruction requirements.

evaluation criteria – those factors identified by the technical requisitioner or procurement personnel to be included in a solicitation and consistently applied to supplier proposals to determine the relative ranking of suppliers in a best value procurement. Criteria should be listed in descending order of importance and shall include cost/price factors.

expediting – processing of RUSH orders that are needed in less than normal lead time; the follow-up activity for orders that are overdue. Checking on orders to determine status and progress, even though those orders may not be scheduled to ship for some time.

Facility Clearance process – prior to entering into any contract subject to access authorization requirements, an affirmative Facility Clearance determination must be obtained from DOE or DOD. The determination assesses the degree of ownership, control, or influence over a supplier by a foreign interest such that a compromise of classified information or special nuclear material may result.

federal business opportunity (FBO) – a federal business opportunities website (FedBizOpps.gov) that may be used to post contracting opportunities over $25,000.00. A sample request is located at Exhibit 9.4-J.

field change order (FCO) – a form completed by a decentralized procurement representative and accepted by a supplier to modify the technical provisions (within the existing scope of work) of a contract. Field change orders shall not be used for out-of-scope work, contract articles changes, or alterations to contract terms and conditions.

fixed price award – a type of purchase order or contract that establishes one all-inclusive price for the performance of a definitively described service or supply.

federal supply schedule (FSS) – schedule established by the federal government with suppliers that contains commercial pricing for supplies or services.

general and administrative expense (G&A) – any management, financial, and other expense that is incurred by or allocated to a business unit and that is for the general management and administration of the business unit as a whole. G&A expense does not include those management expenses whose beneficial or causal relationship to cost objectives can be more

directly measured by a base other than a cost input base representing the total activity of a business unit during a cost accounting period.

government-furnished property (GFP) – any property furnished to the supplier or acquired by the supplier that is utilized in the performance of an Argonne purchase order or contract.

government supply source (GSS) – the General Services Administration (GSA), Federal Supply Schedule (FSS) contracts, Bureau of Mines, the Veterans Administration (VA), and other sources as authorized by the DOE Contracting Officer administering the Laboratory's Prime Contract with DOE.

high risk property – property that, because of its potential impact on public health and safety, the environment, national security interests, or proliferation concerns, must be controlled and disposed of in other than the routine manner. The categories of high risk property are automatic data processing equipment, especially designed or prepared property, export controlled information, export controlled property, hazardous property, nuclear weapon components or weapon-like components, proliferation-sensitive property, radioactive property, special nuclear material, and unclassified uncontrolled nuclear information.

HUBZone small business concern – a small business concern that appears on the list of qualified HUBZone small business concerns maintained by the Small Business Administration (SBA).

incremental funding – additional funding added to a purchase order or contract in cases where the funds obligated at the time of the original award were less than the total estimated cost or price listed in the purchase order or contract.

indirect rate agreement – negotiated overhead rate schedules issued by a cognizant government audit agency used to support cost/price analysis of supplier's proposals.

information resources management (IRM) – the planning, budgeting, organizing, directing, training, controlling, and management activities associated with collection, creation, use, and dissemination of information. The term encompasses both information itself and related resources, such as personnel, equipment, services, and technologies used in the activities.

information technologies and data communications – these technologies include computers, network devices, ancillary equipment, software, and firmware and related services. A monthly summary of all such acquisitions shall be provided by PRO to the Argonne chief information officer, with a copy to the computer protection program manager.

intellectual property provisions – Argonne terms and conditions incorporated in purchase orders and contracts that define Argonne and supplier rights related to technical data, licensing,

patents, royalties, copyright, title, or other specific rights to data under a purchase order or contract.

integrated contractor purchasing team (ICPT)–blanket purchase agreements (BPA) – consortium purchase agreements established by the ICPT available for nonmandatory voluntary use by DOE Laboratory contractors.

inter-contractor purchases (IPC) – a subcontract-level purchase transaction between two or more DOE management and operating contractors or site integrating contractors.

invitation for bid (IFB) – a written request, issued by the Procurement Department to prospective suppliers, used to obtain sealed bids for a definitive specification. Bids are publicly opened and award is made to the lowest price responsive, responsible supplier without discussion or negotiation.

justification for non-competitive procurement (JNCP) – documentation included with a purchase requisition that supports the solicitation of only one source. JNCPs *ARE NOT* required for utility services available only from one source, educational services from nonprofit institutions, supplies and services from government supply sources other than Federal Supply Schedules (GSA Schedules) [including other government-owned contractor-operated laboratories, DOE directed procurements, awards made under the Small Business Administration 8(a) Program valued at less than $3 million, ($5 million for construction or in accordance with the Laboratory's Small Business Subcontracting Plan)]. JNCPs *ARE NOT* required for follow-on awards to existing purchase orders, contracts, or agreements covering incremental funding actions, or for exercising prepriced options identified and priced in the original procurement, changes within the general scope of the contract as determined by procurement personnel, or awards issued against blanket agreements where the blanket agreement was competitively evaluated, or initially supported with a sole source justification.

labor-hour, time-and-material contract – a cost-type contract that reimburses the supplier for various costs as follows:

1. Direct labor on a fixed hourly rate that includes all overheads and profit, if applicable;

2. Computer and other time that is reimbursed on a fixed hourly rate that includes all overheads and profit; and

3. Other direct material costs related to the work that are reimbursed based on actual costs plus handling charges, if any.

This type of contract is normally used when it is not possible to estimate schedule and costs at the time of contract award.

lead time – the length of time Procurement Department personnel take to award a Laboratory requirement. Lead times start with the approval by the Procurement Department of a complete requisition package and end with an award.

letter contract – a written, contractual instrument with a cost ceiling that authorizes immediate commencement of manufacture of supplies or performance of services, including, but not limited to, preproduction planning and procurement of necessary materials. Letter contracts require definitization.

milestone payment schedule – incremental payments to a supplier linked directly to the completion of a designated element of work over the life of a contract. A milestone payment schedule identifies milestones and payments paid to a supplier based on a comparable amount commensurate with the value of work completed and accepted.

mistake in offer (bid) – those circumstances where a supplier asserts that the originally quoted price was in error and requests permission to withdraw or correct its offer/bid.

modification – a written revision to a contract, purchase order, or agreement by means of a change order or supplemental agreement.

negotiation – the process by which the buyer/contract specialist and the supplier reach agreement on terms and conditions, cost and/or price.

noncommercial items – such items normally include:

1. Research and development contracts of any type, including fixed-price;

2. Services procured on an hourly basis without a definite task.

noncompetitive procurement – A procurement that is awarded on the basis of a supplier being the only known source capable of performing the required scope of work, or providing the required supplies or services; or the only known source capable of performance or delivery within the required time frame and at a fair and reasonable price.

nondevelopmental item – means:

1. Any previously developed item of supply used exclusively for governmental purposes by a federal agency, a state or local government, or a foreign government;

2. Any item described in paragraph 1 of this definition that requires only minor modification or modifications of a type customarily available in the commercial marketplace in order to meet the requirements of the procuring department or agency; or

3. Any item of supply being produced that does not meet the requirements of paragraph 1 or 2 solely because the item is not yet in use.

notice to proceed – a required start work notice issued to suppliers by the Procurement Department, or designee, approved by the Procurement Manager and identified in the contract, that directs the supplier to start work on a contract or purchase order.

on-site work – work performed on the Argonne Illinois site. Work performed on any other DOE-owned or leased site shall be considered "off-site work" for the determination of which Integrated Safety Management (ISM) supplemental terms and conditions are applicable.

options – a unilateral right of the Laboratory included in a contract or purchase order that the Procurement Department may, at its sole discretion, exercise to purchase additional quantities of a supply or service as described in the original contract.

organizational conflict of interest (OCI) – a relationship or situation whereby an offeror or a contractor (including chief executives and directors, to the extent that they will or do become involved in the performance of the contract, and proposed consultants or subcontractors where they may be performing services similar to the services provided by the prime) has past, present, or currently planned interests that relate to the work to be performed under a Laboratory contract and such interest or interests, may reasonably (1) diminish an offeror's or contractor's capacity to give impartial, technically sound, objective assistance and advice, or (2) result in it being given an unfair competitive advantage. It does not include the normal flow of benefits from the performance of the contract. If an OCI exists, or the potential for an OCI exists, prior DOE approval is required before award.

overhead – an element of cost in a supplier's proposal, normally made up of indirect expenses that are necessary to operate a business that cannot be allocated to one specific job performed by a supplier. Typical overhead cost elements are rent, mortgage, utilities, building maintenance, and capital equipment.

PARIS (Procurement and Requisition Integrated System) – database and lab-wide integrated business management operation system designed to integrate procurement processes, interfaces with other Laboratory automated systems as well as requisitioning and receiving functions, and interfaces with the Argonne financial system.

precious metals and rare materials – materials that are found in commercial markets but that have a very high monetary value in relation to volume and weight.

price analysis – a method used by Procurement to determine the reasonableness of a suppliers proposed price. Forms of price analysis include a comparison of proposed prices received in response to a solicitation, comparison of a proposed price to prior contract prices for

similar or like items, rough yardsticks, published price lists or published market prices, or comparisons to independently prepared Argonne estimates.

price reasonableness – the process of determining a price fair and reasonable by either price or cost analysis techniques.

procurement management – those employees of Argonne National Laboratory responsible for the procurement of equipment, supplies or services whose position description and/or job title includes the designation "manager."

procurement official – an employee who is directly involved in the review, approval, or placing of a procurement.

procurement technical representative (PTR) – an individual granted specific decentralized procurement authority in writing to accomplish field change orders on construction or similar type contracts. Division managers nominate personnel for PTR authority. The Procurement manager reviews, approves and issues all PTR delegation letters. **PTR authority cannot be redelegated.**

profit – the basic motive of commercial business; the net proceeds of selling a product or service when costs are subtracted from revenues. Profit margins are usually related to the risk of the work.

progress payments – payments made periodically throughout the lead time of a purchased product or service. Payments made prior to completion for specific reasons. As examples, a progress payment might be made on costs incurred, or made at specific intervals during a construction project as parts of the project are completed.

proprietary information – any data submitted to the Procurement Department by a supplier that is clearly marked as such and is not publicly available. This information may be used only by Argonne in a manner authorized by the supplier.

purchase order – an award document issued by the Procurement Department requesting delivery of supplies, equipment, material, or nonpersonal services from a supplier.

quality assurance provisions – quality assurance requirements established by the requisitioner commensurate with the complexity, significance, and function of the requirement and consistent with federal regulations.

quality assurance representative (QAR) – Laboratory personnel responsible for helping requisitioners determine appropriate quality requirements, as well as approving quality

assurance provisions forwarded to the Procurement Department for inclusion in appropriate contracts. QARs are normally located in division offices throughout the Laboratory.

recycled products – new products that are produced by using materials that were extracted from other than virgin materials or waste. Some examples are: paper, paper products, refined lubricating oils, concrete containing coal fly ash and toner cartridges.

representations and certifications – document completed by the supplier that describes the supplier's size, socioeconomic status and also certifications on various government regulations and business practices. Representations and certifications less than one (1) year old may be used for the purchase of other similar items from the same supplier during this period. Representations and certifications are not required for awards to other DOE contractors by Memorandum Purchase Order (MPO), Government Supply Sources, or University of Chicago Campus Computer Store.

request for proposal (RFP) – a written request issued by the Procurement Department to prospective suppliers to obtain a proposal for supplies or services. Responses to an RFP generally include a technical proposal in addition to cost or pricing information that form the basis for evaluation and contract award or further negotiation.

request for quotation (RFQ) – oral or written request issued by the Procurement Department to prospective suppliers to obtain price, delivery, and payment terms in accordance with the stated Argonne terms and conditions. Supplier quotations are used to issue purchase orders, write modifications, or serve as a basis for negotiation.

requisition – electronic forms completed by authorized Laboratory requisitioners describing the material or service requested that contain funding approvals and any other authorization required for the purchase.

responsible supplier – a supplier with the financial resources, personnel, facilities, integrity, and overall capability to fulfill the requirements of the proposed purchase order or contract.

responsive – a supplier whose quotation, bid, or proposal meets the requirements of the solicitation.

ratification of retroactive contracting – the process of approving agreements made between suppliers or third parties by individuals not delegated the authority to make external commitments on behalf of the Laboratory.

right of setoff – the Laboratory's right to reduce payments to liquidate any indebtedness of a supplier to the Laboratory.

sealed bid – the method of procurement that involves solicitation of bids (IFB) from suppliers. Upon receipt of the bids, a public bid opening takes place and award is made to the lowest price responsive, responsible supplier.

sensitive item – an item that is susceptible to theft because it is attractive for personal use or can be readily sold. Examples: balances (electronic), binoculars, cameras, copiers, disk drives, laptop computers, lawn mowers, lenses, microwave ovens, power tools, printers, projectors, telephone answering devices, TV sets, typewriters.

service contract – any contract, the principal purpose of which is to furnish services through the use of service employees. The term *service employee* means any person engaged in the performance of a contract other than any person in a bona fide executive, administrative, or professional capacity.

service contract act – a federal law that establishes minimum compensation rates and working conditions for all service contracts performed at a federal facility in excess of $2,500, not otherwise exempt.

set-aside – the act of reserving the entire amount or a portion of a procurement for the exclusive participation of a small, small disadvantaged, or women-owned small business concern.

significant procurement – any procurement estimated to be valued in excess of the Procurement manager's signature authority, or as designated to be significant by the Procurement manager. A **Solicitation Milestone Plan** for a significant procurement must be approved by the Procurement manager.

solicitation milestone plan – documentation of the agreement between a requesting division and the Procurement Department on the details and approach to be used for a significant procurement. A solicitation milestone plan must be approved by the Procurement manager for each significant procurement. A solicitation milestone plan may be used as a planning tool by the requesting division and the buyer/contract specialist for any procurement action.

small business concern – a concern, including its affiliates, not dominant in the field of operation in which it is bidding on Laboratory contracts, and qualified as a small business under the criteria and size standards as established by the government.

small business concern owned and controlled by socially and economically disadvantaged individuals and small disadvantaged business concern – a small business concern that represents, as part of its offer, that:

1. It has received certification as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B.

2. No material change in disadvantaged ownership and control has occurred since its certification.

3. Where the concern is owned by one or more individuals, the net worth of each individual upon whom the certification is based does not exceed $750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2).

4. It is identified, on the date of its representation, as a certified small disadvantaged business in the database maintained by the Small Business Administration (PRO-Net).

small business concern owned and controlled by women – a small business concern:

1. That is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women.

2. Whose management and daily business operations are controlled by one or more women.

socioeconomic status – a self certification by a supplier that identifies the supplier as a small business, small disadvantaged, women-owned small business and/or HUBZone small business concern usually obtained on Argonne Representation and Certification forms.

sole source – the only known responsible source capable of performing the required scope of work or providing the required supplies or services in accordance with the business, technical, and schedule requirements of the Laboratory.

solicitation – method used by the Procurement Department to request quotations, bids, or proposals from prospective suppliers. Solicitations are made in one of three forms: Invitation for Bid (IFB), Request for Quotation (RFQ) or Request for Proposal (RFP).

source selection official (SSO) –individual who makes the final selection decision for awarding applicable best value or any other appropriate procurements that require a source selection official.

special nuclear material (SNM) – plutonium, uranium-223, or uranium-235, and any other material, that pursuant to the provisions of Section 51 of the Atomic Energy Act of 1954, as amended, has been determined to be special nuclear material, but that does not include source material; or it also includes any material artificially enriched by any of the foregoing, not including source material.

standing orders – agreements awarded by Procurement Department personnel for a specific class or group of suppliers or services in which certain nonprocurement Laboratory personnel are authorized to use to order Laboratory requirements.

statement of work (SOW) – a document that provides an accurate and complete description, specification, or drawings identifying all work to be performed. The SOW should contain a precise statement of what, where, how, and when it is to be accomplished and delivered. The SOW is prepared by the Argonne technical representative and approved for use by the Procurement Department. A performance-oriented statement of work is the preferred method of describing Laboratory requirements.

stores items – items used in quantity by various requisitioners and inventoried by the Laboratory. Certain spare parts are also carried as stores items.

supplemental agreement – a bilateral document to an existing contract signed by the Procurement Department and by the supplier. Scope, time, funding, and other changes to the contract are made under this process.

supplier – a term used to refer to any vendor, contractor, firm, offeror, bidder, individual, or other legal entity doing business with the Laboratory.

suspect/counterfeit parts program – the Laboratory program that seeks to avoid the introduction of suspect/counterfeit parts at the Laboratory. A supplier certification is included in the Laboratory Representations and Certifications forms and a suspect/counterfeit parts clause and Headmark List are included in all procurement standard terms and conditions of purchase. Division quality assurance representatives (QAR) are responsible for implementing the Laboratory's suspect/counterfeit parts program.

technical evaluation – a review of a supplier's proposal or quotation by the Argonne technical representative or technical evaluation team (TET) to judge how well the proposal meets the technical requirements of the solicitation.

technical representative – an individual responsible for ensuring that the technical aspects (form, fit, function, etc.) of a procurement meet the needs of the Laboratory. Technical representative responsibilities include, but are not limited to, evaluating "or equals" proposed by suppliers, inspecting and accepting supplies or services, performing technical evaluation team functions; coordinating and ensuring all Laboratory ESH safety approvals, practices and policies are accomplished for all work performed by contractors at the Argonne site, to include all on-site services (these activities may include surveillance of contractor activities for compliance with the safety provisions of contracts, as well as any applicable contractor safety plans approved by the Laboratory); maintaining records documenting functions; supplier noncompliance issues, coordinates availability/surveillance of Argonne furnished (or contractor purchased) property,

information and equipment as specified in the contract and assures coordination is affected with the Property Department to assure such equipment is documented and is included in Argonne Property records, reviews supplier invoices when required, and reporting substantial or deficient supplier performance to procurement personnel. Any individual who has successfully completed the online training course ESH374, "Technical Representative Training," may be designated as Technical Representative on a Laboratory procurement, with the exception that an employee of Jacobs Engineering, Group, Inc. can not be assigned the role of Technical Representative on any Laboratory contract with Jacobs Engineering, Inc., or any of Jacobs Engineering, Inc. affiliates.

technical specification – a document that provides a detailed description for items that are to be fabricated, or accepted by the Laboratory based on performance characteristics. Details are usually presented in the form of a drawing or specification. Technical specifications are prepared by Argonne technical representatives.

technical evaluation team (TET) – two or more Laboratory representatives that conduct formal technical evaluations of responses to an RFP or RFQ. The TET advises the SSO as to which offer(s) will most likely be successful in meeting the technical requirements, and providing supplies or services in accordance with the criteria listed in the solicitation.

technical data – recorded information, regardless of the form or media on which it may be recorded. This includes scientific or technical information as well as computer software.

telecommunications technologies – includes telephone-paging-radio systems, voice communications equipment, ancillary equipment, and related services. At Argonne, approval from the director of Computing and Information Systems Division (CIS) is required for procurements valued in excess of $25,000 unless the total procurement consists of stand-alone components, each having a unit cost of $25,000 or less.

termination – an action taken by the Procurement Department, in accordance with the terms of the contract, to end all or part of the work under a contract or purchase order.

tie bid award determinations – when two or more low bids are equal in all respects, taking into consideration transportation costs, and any other factors proper to consider, award shall be made in the following sequence and the procurement file shall be documented to justify the basis of award: (a) first, to small disadvantaged business concerns; (b) second, other small women-owned business concerns; (c) third, other small business concerns; (d) other domestic firms. If no such bidder is among the tie bidders, or if the bidders fall in the same preferential category, the award may be made on the basis of the relative performance on past orders; and If two or more bidders still remain equally eligible after application of above procedures, award shall be made by a drawing by lot, limited to those bidders. If time permits, the bidders involved shall be given an opportunity to attend the drawing. The drawing shall be witnessed by at least

two (2) persons, and the contract file shall contain the names and addresses of the witnesses and the person supervising the drawing.

unliquidated progress payments – that portion of progress payments made that has not yet been liquidated through the delivery of work or materials required by the contract.

virgin material – a raw material used in manufacturing that has been mined or harvested and has not yet become a product.

weighted guidelines method – the technique used to establish a profit/fee negotiation objective that ensures consideration of the relative value of appropriate profit factors.

2.1 INTRODUCTION

2.1.1 PURPOSE

To provide Argonne National Laboratory employees information about the requisitioner's role in the acquisition of supplies and services at the Laboratory.

2.1.2 SCOPE

This guideline applies to the preparation and approval of requisitions for the acquisition of goods, services, repair/maintenance services, capital equipment, personal services, research and development work, construction, and architect-engineer services at the Laboratory.

2.1.3 ORGANIZATION

This guideline is arranged to guide the customer through the requisitioning requirements at the Laboratory, from simple purchases of commercial off-the-shelf supplies and services to more complex non-commercial research and development supplies and services. Customers shall satisfy requirements for supplies, equipment, and services from or through the sources listed in Sections 2.2 through 2.5 of this manual.

Exhibit 2.1-A provides a list of the requisition approvals that may be required for selected supplies or services before the Procurement Department can take any action on a customer's requirement. **Exhibit 2.1-A** also includes a list of unallowable items the purchase of which may or may not be allowed under the Laboratory's Prime Contract. **Exhibit 2.1-B** provides a list of Drug Enforcement Agency (DEA) restricted items.

By providing a complete requisition package, including all required documentation and/or approvals, many of the delays that interrupt the expeditious processing of the requirement will be eliminated.

This guideline is focused on the roles and responsibilities of the requisitioner. **Division and/or organization policies, practices, and/or approvals that may be required in addition to these guidelines should be coordinated within the requisitioner's organization.**

EXHIBIT 2.1-A

MATRIX OF APPROVALS FOR PURCHASE REQUISITIONS

Some requisitions will require special approvals or reviews prior to handling by the Procurement Department. Obtaining these approvals should be coordinated through the requisitioner's **division office** with participation by the Laboratory division(s) from which approval is required.

1. Office of the Chief Financial Officer (OCF) - **Budget Office approval** is required for purchase requisitions and change requisitions with an individual value of $100,000 or more each unless exempt for one of the following reasons:

    a. Funded by an approved work project

    b. Approved by the OCF-assigned Controller for major projects

    c. Blanket purchase agreements

    d. Approved Service Requests

2. **Division office** approval as well as **Procurement Department** approval of a Justification for Noncompetitive Procurement (JNCP) is required for purchase requisitions in excess of $25,000 that will be used to solicit only one source, unless exempt for one of the following reasons:

    a. Utility services available only from one source

    b. Educational services from non-profit institutions

    c. Supplies and services from **Government Supply Sources**, other government-owned contractor-operated laboratories, Department of Energy (DOE) directed procurements, and awards made under the Small Business Administration 8(a) Program valued at less than $3 million ($5 million for construction) or in accordance with the Laboratory's Small Business Subcontracting Plan

    d. Awards issued against blanket agreements where the blanket agreement was competitively evaluated, awarded, or initially supported with a JNCP

Change requisitions also require **division office** and **Procurement Department** approval of **sole source** JNCP in all cases except:

a. Incremental funding actions

b. Exercise of pre-priced options identified in the original award

c. Changes within the *general scope* of the contract as determined by Procurement Department personnel

3. Quality assurance requirements must be coordinated with and approved by the **division quality assurance representative (QAR)**. The extent to which special quality assurance requirements are established should be commensurate with the complexity, significance, and function of the designated material or service. Special quality assurance requirements should be considered for the following types of procurements:

a. Materials and services for critical applications (10 CFR 830.120)

b. Materials and services made to Argonne specifications

c. Materials subject to codes or standards (i.e., ANSI, ASME, ASTM, NEC, OSHA, etc.)

d. Raw materials requiring certifications

e. High risk or otherwise complex items or services (10 CFR 830.120)

f. Safety significant items and services for nuclear facilities (10 CFR 830.120)

The requisitioning divisions are also responsible for "qualifying" the vendors who provide materials and/or services in specific areas, such as quality and safety, when required by and in accordance with other Laboratory policies.

Argonne quality assurance verification requirements are specified by the requisitioner in the *Acceptance Criteria Listing (ACL)*, form ANL-266 and/or *Quality Assurance Procurement Requirements*, form ANL-407, in accordance with the specifications and statement of work and any divisional Quality Assurance Plan.

4. **Organizational Conflicts of Interest (OCI)** requirements may apply to procurements for evaluation services or activities, technical consulting and management support services, and certain research and development activities. A pre-procurement OCI review is conducted to identify and avoid those relationships that might prevent suppliers from being able to render impartial, technically sound and objective assistance or advice, and to reduce the opportunities for an unfair competitive advantage. A Pre-Procurement OCI Fact Sheet, Chapter 8-10A, DOE Specific Requirements, Exhibit 8.10-A, may be used to identify areas of concern. Completion of this checklist should be coordinated with the Procurement Department.

5. **Access Authorization Requirements** are annotated for Foreign Ownership Control or Influence (FOCI) determinations on applicable purchase requisitions to alert procurement personnel.

6. **A Workplace Substance Abuse Program** may be required for non-commercial awards of greater than $25,000, where performance of the work is at a DOE-owned or leased site and involves positions where failure to properly discharge duties could significantly harm the environment, public health or safety, or national security. Examples include positions such as firefighter, pilot, protective force personnel (authorized to carry firearms), or personnel directly engaged in maintenance, construction, or operation of nuclear reactors, or transportation of certain types and or quantities of hazardous materials, or access to, or handling of, classified information or special nuclear materials. Suppliers performing these kinds of work may be required to submit program information to demonstrate compliance with 10 CFR 707.

7. **On-site and off-site work involving labor** will necessitate the need for obtaining input including but not limited to grading of associated risk except as exempted below.

   Exemptions:

   - Awards for supplies or equipment to be designed, developed, manufactured, and/or assembled at a contractor site using contractor workers without the participation of Argonne employees and delivered to the Argonne site without on-site installation and/or assembly;

   - Awards for service that will be performed at a contractor's site using contractor's workers without participation of Argonne employees;

   - Awards for construction that are subject to the separate ESH requirements for construction work;

- Awards for work that includes on-site meeting attendance only;

AWARDS FOR RESEARCH AND DEVELOPMENT WORK PERFORMED ON-SITE BY GRADUATE OR POST-DOCTORATE STUDENTS UNDER THE SUPERVISION OF ARGONNE EMPLOYEES; AND

- Awards for work outside of the United States.

Low risk activities – activities that involve office work and certain low hazard deliveries and installations. The following examples provide guidance on the types of activities considered low risk:

- Contracted deliveries (e.g., drinking water, food and beverage, furniture requiring minor assembly);

- Equipment installation, repair and calibration (e.g., copier repair on an unenergized machine, calibration of unenergized equipment, computer set-up and repairs, installation of window blinds that requires no power tools or the use of a ladder); and

- Consulting and office work (e.g., guests and speakers, engineers, consultants, and students working in an office environment).

Moderate risk activities – activities that involve more risk than low risk activities, but do not meet the definition of high risk. The following examples provide guidance on the types of activities considered moderate risk:

- Installations (e.g., carpet, furniture, office partitions – including repair and modification to existing partitions, shelving);

- Repair (e.g., window glass replacement, window cleaning below 6 ft., oven hood repairs that do not require lockout/tagout or use of chemicals, kitchen appliance repair);

- Calibration (e.g., low voltage testing and calibration – below 50 volts);

- Other activities, e.g.,

  - Activity that does not involve working with any type of energy source, working above 6 ft., or entry into a confined space;

  - HVAC duct cleaning without entry into the duct and without use of chemicals;

- Painting with latex paint;
- Site survey work;
- Tree and flower planting;
- Use of class 2 lasers;
- Assembly of technical components;
- Assembly by vendor of purchased component;
- Service of experimental mechanical devices; and
- Installation of wire cages.

High risk activities – work that involves construction or is conducted in an environment where the contractor generates or is exposed to:

- Electrical or other energy sources requiring lockout/tagout for any installation or modification by the contractor;
- Hazardous material (e.g., toxins, carcinogens, asbestos);
- Excavation, confined space, or work elevated above 6 feet;
- Noise levels above 85 dB;
- Work that may result in hazardous exposure to or work in areas posted as hazard exclusion areas for chemicals, nonionizing radiation, or magnetic fields;
- Other high risk situations as determined by Facilities Management and Services (FMS) or the division ESH coordinator; and
- Crane lifts and all other lifting equipment to be used by the contractor.

Other examples of high risk activities:

- Contracted deliveries (e.g., gas delivery of nitrogen, fuels, oxygen, acetylene);
- Work activities, e.g.,

- Working on energized equipment of greater than 50 volts (installation of office partitions containing electrical connections, activity requiring lockout/tagout of energy source, work on transformers);

- Working at heights higher than 6 ft. (overhead door repair, pole work of any nature, communication tower work including erecting, painting or inspection, elevator repair/maintenance/inspection, overhead crane inspections or repair, equipment alignment of energized equipment, sprinkler repairs or modifications, utility line work on gas line, electrical, water, steam, air, or communication);

- Mechanical work (welding, cutting, burning, or any open flame work, metal grinding or saw cutting, concrete boring/cutting/grinding/jack hammering, hoisting, rigging, or lifting, parking lot paving and striping, tree and stump removal, grass burning or chemical treatments, laser repair and installation, painting with epoxy paint, chiller or refrigerant repair/recovery or replacement);

- Work environments where potential exists for fall from a height of 6 ft. or more, confined space entry, excavation of any type or depth, work in areas containing asbestos, work in contaminated areas;

- Chemical use (use of flammable products, asbestos abatement, work on lead painted surfaces); and

- Equipment use (cranes, fork lift, scissor lift, boom lift, scaffolds, back hoes, bobcats).

Note: <u>All</u> construction work is considered high risk.

8. **Export Control Review.** All Purchase Requisitions related to any foreign entity or country require review and approval by Manager, Export Control, Argonne Security and Counterintelligence Division (SCD).

9. Argonne personnel ordering **"Radioactive Sources and Materials"** (both accountable and non-accountable) through OCF-PRO will notify a health physicist when the requisition is forwarded for procurement action. Requisitioners and personnel ordering these items also must clearly identify any special shipping instructions and mark requirements. All radioactive sources and materials ordering documents will clearly indicate the following label/marking instructions for vendors "Contact Health Physics upon Arrival."

10. **"Radiation Generating Devices"** that produce ionizing radiation require notification of a health physicist as well by Argonne requisitioners prior to forwarding a requisition through Procurement channels.

11. **Drug Enforcement Agency (DEA) Controlled Substances.** The purchase of certain precursor and essential chemicals that have potential use in the processing or manufacturing of illegal drugs requires the registration of all individuals authorized to purchase regulated chemicals. All DEA Schedules 1 through 5 chemicals (reference PROCURE-2.1.2, 2.1B, *Customer Procurement Informatio*n - Exhibit 2.1-B, *Drug Enforcement Agency (DEA) Restricted Item List*) are available through the AMOS system, but require additional approvals.

12. **Domain Name Registration.** All requisitions for Internet domain name registration require review and approval by the Argonne Legal Department and the Computing and Instrumentation Systems (CIS) Division.

13. At the end of Exhibit 2.1-A is a listing of unallowable items that are not procured without prior OCF approval. The *most current* list of unallowable items may be found at: (http://www.tis.anl.gov/db/doccenter/full_document/DDD/13.pdf).

14. **Aviation Services.** All requisitions requiring aviation services, *except those services for ticketed passengers traveling on commercial airlines' regularly scheduled flights,* shall be routed for approval to the Laboratory Aviation Safety Officer. The Laboratory Aviation Safety Officer will annotate the requisition with all required documentation needed to assure aviation safety, which will be required from prospective vendors prior to award of any resultant contract.

15. The following **matrix** summarizes other **specific approvals** or notifications that may be required.

Chapter 2 CUSTOMER PROCUREMENT INFORMATION

Exhibit 2.1-A Matrix of Approvals for Purchase Requisitions

Specific Requirement Approval Required	Division Office	ESQ	FMS	HR	SCD	TSD	CIS	OPS/OTD	OCF	WMO
A-E Services	X		ES							
After-the-Fact Procurements	Associate Laboratory director								PRO Mgr	
Audible Warning Signal Devices	X				X					
Aviation/Services and Charter Aircraft	X		ES							
Beryllium	DIV ESH									
Biohazards & Medical Waste	X DIV ESH	IHS								
Budget Approval (>$100K – not otherwise exempt)	X								BUD	
Card Reader Technology	X				Lock Shop					
Chemicals	DIV ESH X									
Classes (on or off site)	X			Human Resources						
Classified Documents	X				Security					
Controlled Substance	X DIV ESH									
Construction Services	X		SES, ES							
Consultants (see individuals)	X			Human Resources						
Cost Codes for General Purpose Equipment (GPE)	X		SP							
Cranes, Hoists & Lifting Equip			SES							
Cranes, Hoists & Lifting Operator			SES							
Cost Codes to be Assigned	X								ACT	
Disinfectants	DIV ESH		CU/GR							
Electrical Equipment, GFCI	DIV ESH X									
Ethyl Alcohol	X							LEG		
Electronic Repairs	X						X			
Explosives, Pyrotechnics	X	IHS			SCD					

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Chapter 2 CUSTOMER PROCUREMENT INFORMATION

Exhibit 2.1-A Matrix of Approvals for Purchase Requisitions

Specific Requirement Approval Required	Division Office	ESQ	FMS	HR	SCD	TSD	CIS	OPS/OTD	OCF	WMO
Export to Foreign Country or National					SCD					
Fabrications and Machining	X					Central Shops				
Fasteners	DIV QA									
Firearms/Ammunition	X	IHS			Security			COO		
Fire Extinguishers	X				FD					
Flammable/Combustible Storage Cabinets	X DIV ESH	IHS			FD					
Facility Clearance	X				Security					
High Risk Labor	X DIV ESH		SES							
High Risk Property									PPIM	
Hoisting, Rigging, or Slings (including fork lift trucks)	X		SES							
Human Subject Research		ESQ/IHS (U of C IRB)								
Individuals (as noted below)	X									
a. Former Argonne Employees	X			Human Resources						
b. Job classes equivalent to Argonne positions covered by collective bargaining agreements	X			Human Resources						
c. Could be performed by other ANL divisions	X			Human Resources						
d. Complete ANL-482A Personal Services Questionnaire (A) (not required if duration of work is 14 days or less)	X			Human Resources						
Internet Domain Registration							X	LEG		
Journal Subscriptions	X					Technical Information Services				

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Chapter 2 CUSTOMER PROCUREMENT INFORMATION

Exhibit 2.1-A Matrix of Approvals for Purchase Requisitions

Specific Requirement Approval Required	Division Office	ESQ	FMS	HR	SCD	TSD	CIS	OPS/OTD	OCF	WMO
Justification for Non-Competitive Procurement	X Commensurate with signature authority on requisition								PRO Signature authority equal to award value	
Laser Light Sources	DIV ESH X	IHS								
Locks and Keys	X				Lock Shop					
Low Risk Labor	DIV ESH X									
Machine Tools	DIV QA X	IHS								
Make-or-Buy Acquisitions	X							COO		
Medical Supplies & Equipment	X			Medical						
Memberships (Form ANL-88) <$500.00	X									
Memberships (Form ANL-88) >$500.00	Associate Laboratory director								Chief Financial Officer	
Moderate-Risk Labor	DIV ESH									
Nuclear Materials	X				MCA					
Off-Site Work (All)	X DIV ESH									
On-Site Work (All)	X DIV ESH									
(OCI) Organizational Conflicts of Interest									PRO	
Overseas Nuclear/Reactor Work					Export Control			LEG		
Paper Cutters	DIV ESH X									
Personal (Including Radiation) Protection – Equipment and Supplies	DIV ESH X	Health physicist IHS								
Pesticides and Herbicides	DIV ESH X	CU/GR								
Photocopy Equipment	X					Media Services				
PPE (outside of Vallen)	X									

Chapter 2 CUSTOMER PROCUREMENT INFORMATION

Exhibit 2.1-A Matrix of Approvals for Purchase Requisitions

Specific Requirement Approval Required	Division Office	ESQ	FMS	HR	SCD	TSD	CIS	OPS/OTD	OCF	WMO
Precious Metals	Precious Metal Custodian								PPIM	
Printing	X					Media Services				
Printing Equipment	X					Media Services				
Property High Risk									PPIM	
Publications	X					Technical Information Services				
Radiant Heaters (kerosene or other "fuel" type)	DIV ESH X				FD					
Ionizing Radioactive Sources, Unaccountable Radioactive Materials, and Radiation Producing Devices	DIV ESH X	RSO								
Radio Frequency Emitting Devices (>$25K)	X						Communications			
Reactor Metals	X				MCA					
Repair of Contaminated Containers	X				MCA					
Respirators (Respirator, Airline Respirator, Dust Mask, Escape Capsule, Escape Mask, Nuisance Dusk Mask, Self Contained Breathing Apparatus (SCBA), Self Contained Underwater Breathing Apparatus (SCUBA) Supplied Air Hood, Supplied Air Helmut, Sandblast Helmut, Tunnel Suit, Vapor Mask)		IHS								
Safety Shoes or Glasses (special requirements)	X			Medical						
Scaffolds	DIV ESH X		SES							
Seminars-on site or off site				X						
Service Work - on site or off site (see Low, Moderate, or High-Risk Labor)	DIV ESH X		SES							

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Chapter 2 CUSTOMER PROCUREMENT INFORMATION

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Specific Requirement Approval Required	Division Office	ESQ	FMS	HR	SCD	TSD	CIS	OPS/OTD	OCF	WMO
Shipping Containers Radioactive Material	X				MCA					
Site Beautification	X		ES CU/GR							
Suspect/Counterfeit Parts	QAR									
Sole Source	X Commensurate with signature authority on requisition								PRO Signature authority equal to award value	
Telecommunications Resources (>$25K)	X						Communications			
Telephone (cellular, pagers) (>$25K)	X						Communications			
Tools	DIV QA X									
Trailers	DIV QA X									
Unallowable Items (see attached list)	X								ACT	
Vehicle Rentals	X								ACT	
Vehicles	X	EPC (CFFP)	MH&T Vehicle Maintenance							
Waste Disposal	X									X
Watercraft	DIV ESH X									

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Group Acronyms:

ACT – Accounting
BUD – Budget
CIS – Computing & Information Systems
CU/GR – Custodial/Grounds
EPC – Environmental Planning and Compliance (Clean Fuel Fleet Program)
ES – Engineering Services
ESQ – Environment, Safety, Health, and Quality Assurance Division
FD – Fire Department
FMS – Facilities Management and Services
HR – Human Resources
IHS – Industrial Hygiene & Safety
MCA – Material Control Accountability
MH&T – Material Handling and Transportation
OCF – Office of the Chief Financial Officer
OPS/OTD – Chief Operations Officer (COO)/Office of the Director
PPIM – Procurement, Property, and Inventory Management
RSO – Radiological Safety Officer
SCD – Security and Counterintelligence Division
SES – Safety and Emergency Systems
SP – Special Projects
TSD – Technical Services Division
WMO – Waste Management Operations

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UNALLOWABLE ITEMS

Refer to http://www.tis.anl.gov/db/doccenter/full_document/DDD/13.pdf for the most current list.

Whether or not an item of cost is allowable under the Prime Contract requires evaluation and judgment. The Prime Contract applies the following guidelines in determining if an item is allowable or not:

1. Reasonableness in accordance with FAR 31.201-3 and good business judgment;

2. Consistent application of generally accepted accounting principles and practices; and

3. Recognition of items that are specifically excludable costs according to the contract.

Following is a current list of items that have been determined to be unallowable.

- Advertising (except help wanted), promotional items, memorabilia, models, gifts, and souvenirs

- Air cleaners (purifiers) and accessories

  Note: To be allowable requires a prescription from personal physician and an ESQ-Industrial Hygiene survey paid for by requestor's division. ESQ survey determines if air quality can be corrected via another means. If a personal air cleaner is the best means to correct the problem, ESQ determines adequacy of equipment being purchased. HR-Medical Department evaluates above and determines proper course of action.

- Alcoholic beverages

- Appliances, e.g., coffee pots, refrigerators, microwaves, stoves (refer to Accounts Payable Manager or assistant chief financial officer)

- Award programs (unless approved by Human Resources)

- Briefcases >$40

- Business card binder (leather)

- Can openers

- Catalog cases >$70
- Certificate holders/frames
  8 1/2" × 11" >$12
  18" × 24" >$16
  24" × 36" >$26
- Christmas cards
- Clothing (unless AMOS clothing contract)
- Coffee pots and associated accessories
- Commemorative coin sets
- Contributions and donations
- Desk accessories (mirror chrome or mirror brass finish)
- Educational assistance for other than regular full or part-time Argonne employees. Temporary employees are not eligible. Special one-time classes/seminars directed by the Argonne supervisor for temporary employees are allowable.
- Entertainment (i.e., cost of amusement, social activities, tickets to shows, sporting events, meals, lodging, rentals, gratuities)
- Fines, penalties, and interest
- First class air travel
- Flowers
- Food items (i.e., coffee, pastries, meals) and related supplies
- Foreign air carriers
- Furnishings and decorations (refer to Accounts Payable manager or assistant chief financial officer)
- Lamps >$85 each

- Leather covered record books, appointment books, calendars, organizers, and planners
- Leather computer cases, briefcases, bags, pad holders, portfolios, and attaché cases. Vinyl attaché cases >$50
- Lobbying costs
- Meeting/organizer books - leather bound
- Memberships in civic organizations
- Microwave ovens (Fire Station use is authorized)
- Motivational posters
- Notebook travelers >$70
- Paintings, pictures, plants (refer to Accounts Payable manager or assistant chief financial officer)
- Paper plates and cups
- Pencils (mechanical) >$3
- Pens >$5
- Personal travel accessories
- Planners (leather). Others >$40
- Postage for retirement party invitations
- Presentation binders >$30
- Prizes (e.g., safety meeting prizes)
- Radios (i.e., AM/FM)
- Refrigerators
- Season's greeting labels

- Toaster ovens
- Travel accessories of a personal nature (umbrellas, sewing kits, etc.)
- Travel insurance and insurance against loss of government property (refer to Accounts Payable manager or assistant chief financial officer)
- Water coolers (except through Argonne Procurement contract)

EXHIBIT 2.1-B

Drug Enforcement Agency (DEA) Restricted Item List

List I Chemicals	CAS Number	Purchase Threshold
N-Acetylanthranilic acid (+salts and esters)	89-52-1	40 kg
Anthranilic acid (+salts and esters)	118-92-3	30 kg
Benzaldehyde	100-52-7	4 kg
Benzyl cyanide	140-29-4	1 kg
Ephedrine (+salts and isomers)	299-42-3	0
Ergonovine (+salts)	60-79-7	10 g
Ergotamine (+salts)	113-15-5	20 g
Ethylamine (+salts)	75-04-7	1 kg
Gamma-butyrolactone	96-48-0	0
Hydriodic acid (57%)	10034-85-2	1 l
Hypophosphorus acid (+salts)	6303-21-5	0
Isosafrole	120-58-1	4 kg
Methylamine (+salts)	74-89-5	1 kg
3,4-Merthylenedioxyphenyl-2-propanone	4676-39-5	4 kg
N-Methylephedrine (+salts and isomers)	522-79-4	1 kg
N-Methylpseudoephedrine (+salts and isomers)	14222-20-9	1 kg
Nitroethane	79-24-3	2.5 kg
Norpseudoephedrine (+salts and isomers)	429-39-7	2.5 kg
Phenylacetic acid (+salts and esters)	103-82-2	1 kg
Phenylpropanolamine (+salts and isomers)	14838-15-4	2.5 kg
Phosphorus (red, white)	7723-14-0	0
Piperidine (+salts)	110-89-4	500 g
Piperonal	120-57-0	4 kg
Propionic anhydride	123-62-6	1 g
Pseudoephedrine (+salts and isomers)	90-84-2	1 kg
Safrole	94-59-7	4 kg
List II Chemicals	**CAS Number**	**Purchase Threshold**
Acetic anhydride	108-24-7	250 gal
Acetone	67-64-1	50 gal
Benzyl chloride	100-44-7	1 kg
Ethyl ether	60-29-7	50 gal
Hydrochloric acid	7647-01-0	50 gal (export only)
Hydrogen chloride	7647-01-0	0.0 kg
Iodine	7553-56-2	0.4 kg
Methyl ethyl ketone	78-93-3	50 gal
Methyl isobutyl ketone	108-10-1	50 gal (import only)
Potassium permanganate	7722-64-7	55 kg

Sulfuric acid	7664-93-9	50 gal (import only)
Toluene	108-88-3	50 gal
Special Surveillance Chemicals (Methamphetamine Control Act)	**CAS Number**	**Purchase Threshold**
Ammonia gas	7664-41-7	0
Ammonium formate	540-69-2	0
Bromobenzene	108-86-1	0
1,1-Carbonyldiimidazole	530-62-1	0
Cyclohexanone	108-94-1	0
1,1-Dichloro-1-fluoroethane (FREON 141B)	1717-00-6	0
Diethylamine (+salts)	109-89-7	0
2,5-Dimethoxyphenethylamine (+salts)	3600-86-0	0
Formamide	75-12-7	0
Formic acid	64-18-6	0
Hypophosphorus acid (+salts)	6303-21-5	0
Lithium aluminum hydride	16853-85-3	0
Lithium metal	7439-93-2	0
Magnesium metal	7439-95-4	0
Mercuric chloride	7487-94-7	0
N-Methylformamide	123-39-7	0
Organomagnesium halides	---	0
Phenylethanolamine (+salts)	122-98-5	0
Phosphorus pentachloride	10026-13-8	0
Phosphorus, red	7723-14-0	0
Potassium dichromate	7778-50-9	0
Pyridine (+salts)	110-86-1	0
Sodium dichromate	7789-12-0	0
Sodium metal	7440-23-5	0
Thionyl chloride	7719-09-7	0
o-Toluidine	95-53-4	0
Trichloromonofluoromethane (FREON 11)	75-69-4	0
Trichlorotrifluoroethane (FREON 113)	76-13-1	0

These products are regulated by the Drug Enforcement Administration under the Chemical Diversion and Trafficking Act of 1988. For more information reference the Congressional Federal Register 21 CFR Ch II Parts 1310 & 1313.

THIS LIST IS PROVIDED FOR INFORMATION PURPOSES ONLY. The chemical names are those used in the Aldrich Catalog. Other Chemicals may also be regulated by the Act.

Since regulations are subject to change at any time, consult the Federal Register for the most complete and current information.

2.2 EXCESS PROPERTY

Prior to purchasing any equipment, the Energy Asset Disposal System (EADS), located on the web at GSAXcess.gov, should be screened to determine if excess property is available which meets your requirements.

Purchase requisitions for excess property require approval by an individual with signature authority for the actual "cost" to the Laboratory to obtain excess property. The total acquisition cost of excess property is usually limited to the cost of handling and transportation. Procurement personnel will issue a purchase order to cover transportation costs.

Property personnel (OCF-PPIM) are responsible for completion of all other forms necessary to obtain the excess property.

2.3 ARGONNE MATERIALS ORDERING SYSTEM (AMOS)

The materials available through AMOS are of commercial grade and quality available to the Laboratory through the normal commercial supply chain. **If there is a need for ANY special certifications and/or quality assurance requirements, AMOS is NOT the recommended procurement method.** The vast majority of commercial supply items, including office supplies, lab supplies, safety supplies, electrical supplies, etc., are purchased by the Laboratory under multiyear fixed-price, indefinite quantity contracts.

Commonly used "stock items" available from AMOS suppliers are normally delivered to the Laboratory within 48 hours. AMOS suppliers will usually deliver "nonstock" materials to the Laboratory within 10 work days.

A complete generic listing of materials and AMOS suppliers is maintained by the Procurement Department at http://www.inside.anl.gov/resources/purchasing_reps/amoscon.html.

2.4 STORES REQUISITIONS

Materials available from the Laboratory's on-site warehouses can be requested by the use of Argonne Form ANL-32A, *Stores Material Request*, or requisitioned through AMOS. A catalogue listing of materials that are stocked by the Laboratory and available by calling the Customer Service section of the Procurement Department, or on-line through AMOS. Consult your division office regarding authorization to requisition materials through stores.

2.5 PURCHASE REQUISITIONS

2.5.1 AUTHORIZATION

For authorization to order supplies and/or services through the Procurement Department, contact your division office. The *Typical Flow for Argonne Procurements* is attached as Exhibit 2.5-A.

2.5.2 PROCESSING REQUEST

Processing a request through the Procurement Department requires use of form ANL-451, *Purchase Requisition*. These forms are completed through the Laboratory's on-line requisitioning system (PARIS). A complete purchase requisition will provide the following information:

a. Deliver to (*recipient name*), division, building, room, and extension

b. Signature by the QAR and identification on the requisition of any:

   1. 10 CFR 830-120 requirements; or

   2. Any vendor, supply, or service requiring 10 CFR 830-120 certifications; or

   3. *Quality Assurance Procurement Requirements* as specified on form ANL-407.

   4. *Acceptance Criteria Listing* as specified in form ANL-266.

c. Identification of a source or sources, including complete address(es), phone number(s), fax number(s), e-mail and contact name(s) if available:

   1. If a non-competitive action is recommended for a supply or service estimated to be greater than $25,000, an approved form ANL-410, *Justification for Non-Competitive Procurement (JNCP)* must be provided. If a division-approved JNCP is not provided or not approved by Procurement, the Procurement Department will solicit other capable and reliable suppliers.

   2. In accordance with Laboratory socioeconomic goals, the Procurement Department will solicit small businesses, and small disadvantaged, small women-owned, HUBZone, veteran-owned small business, and service disabled veteran-owned small

business to the maximum extent practicable. Requisitioners are encouraged to utilize these types of capable sources as recommended vendors.

d. A complete and accurate description of the supply or service to be acquired. This may be accomplished by use of a manufacturer's name and part number, or by use of a specification or statement of work. See Exhibit 2.5-B, *Guidelines for Writing Descriptions, Statements of Work and Specifications* for additional information.

e. Quantity and unit of measure as applicable.

f. Category code of supplies or services, see Exhibit 2.5-C, *Frequently Used Category Codes List* or the on-line PARIS category code listing.

g. Desired delivery date and or the estimated period for performance of the service/work.

h. An independent cost estimate, see Exhibit 2.5-D, *Guidelines for Preparation of an Independent Cost Estimate*.

i. A valid task code or work project to be charged including appropriate cost element.

j. Special approvals/signatures as determined by your division office and or Laboratory policy. See Exhibit 2.1-A, *Matrix of Approvals for Purchase Requisitions* for examples of the type of special approvals that may be required.

k. As needed, include technical evaluation criteria. For guidance, refer to Exhibit 2.5-E, *Guidelines for Preparation of Technical Evaluation Criteria*.

l. Other information or special directions related to the requirement, e.g., Pre-Procurement OCI Fact Sheet, special safety concerns, identification of the Argonne technical representative if different than the requisitioner, deliver to location, if different than the requisitioner, special quality assurance requirements, etc.

m. Customers are encouraged to include the e-mail address(es) of division personnel able to respond to inquiries from Procurement.

n. Requirements for access authorizations, i.e., Facility Clearance.

o. A copy of the DOE Form 164, *Request for Davis Bacon Determination* for construction requests.

p. Requisitions designated for on-site work require special ES&H processing in accordance with paragraph 7 of Exhibit 2.1-A, *Matrix of Approvals for Purchase Requisitions*.

q. Requisitions for acquisition of research studies, tests, surveys, surveillance or other data collection involving human subjects require approval by the Institutional Biosafety Committee (IBC) through the Biosciences Division Director prior to submission to Procurement in accordance with ESH-1.9, General Administration, Research Involving Human Subjects.

2.5.3 THE PROCUREMENT PROCESS

a. For more complex requirements, advance planning with the Procurement Department is recommended, since such joint planning will assist in expediting the award.

b. After receipt of a complete requisition package, the requirement will be assigned to a buyer/contract specialist for processing in accordance with the appropriate guideline, i.e., commercial, non-commercial or other.

c. Depending on the nature of the requirement, the requisitioner/technical representative may be required to be assigned to participate in solicitation development, proposal/quotation evaluation, participation in pre-procurement conferences, if any, and post award administration. The identification of a Technical Representative is required for all construction, A&E, non-commercial procurements and for all commercial procurements in excess of $100,000. Additional information related to these responsibilities is summarized in Exhibit 2.5-F, *Technical Representative Assignment*. For procurement of commercial items of a more routine nature, an Administrative Representative Assignment may be sufficient. Additional information related to these responsibilities is summarized at Exhibit 2.5-G.

d. Change requisitions (ANL-451) may be required to incorporate changes to existing procurement awards, or provide the Procurement Department with additional funds to support an award (also see Exhibit 2.1-A, paragraph 1).

2.5.4 WORK WITH OTHER DOE LABORATORIES

Requisitions for work done by other laboratories are accomplished by OCF-PRO via a Memorandum Purchase Order (MPO). For requirements in excess of $1,000,000 (or modification thereafter) an Inter-Entity Work Order (PD-156) must also be approved by the DOE Contracting Officer and included with the MPO.

☐ 4.13 Part Identification

a. Each drawing or specification for parts, components, subassemblies, or end items shall specify the location and methods of applying the appropriate identification which included the following.

- Drawing Number, including revisions
- Part Number
- Part Number, revision letter
- Serial Number (when applicable)

b. Each part, component or subassembly shall bear the appropriate identification in accordance with drawings and specifications .

☐ 4.13.1 Manufacturing Lot or Batch Number Identification: All parts and materials, plus applicable documents, shall be identified by a manufacturing lot batch number stamped on the smallest unit packaged by the supplier.

☐ 4.13.2 Serial Numbers: The supplier shall assign a separate and distinct serial number to each end item. Where impractical due to size or shape, the serial number shall be marked on identifying tags or the smallest unit package. No two items having the same part number are to be identified with the same serial number. Records of serial numbers for each part number shall be maintained by the supplier.

☐ 4.13.3 Identification of Age Control Items: Material identification shall be supplied for each item, package or container having limited shelf life. The cure date, date of manufacture, shelf life, storage temperature, humidity, and special handling conditions in addition to required identification, such as name, part number, type size, quantity, etc., shall be provided.

☐ 4.13.4 Material Traceability: All items shall be traceable to the raw materials. Methods of identifying materials, parts and components shall be submitted to the Laboratory for approval prior to use.

☐ 4.13.5 Assembly and Parts List: An assembly parts list designating the part number, serial or lot control number for each part incorporated, including an Laboratory furnished components or subassemblies shall be furnished by the supplier.

☐ 4.14 Material Certification: Shall be submitted with or prior to each shipment, indicating purchase order or contract number and identification of the specification to which the material conforms. Certifications shall include the signature and title of the authorized representative for the agency who verified the compliance. The supplier shall be responsible for certification validity.

☐ 4.15 Certificate of Conformance: With each shipment of items or services covered by the purchase order, a certificate of conformance shall be submitted. Objective evidence shall be retained by the supplier, including records of inspections/tests, preservation/packaging, and preparation for shipment. These records shall be made available to the Laboratory for review, if requested. The certificate shall be signed by an officer of the company, and shall constitute representation by the supplier that:

☐ 4.15.1 Materials used are those which have been specified by the Laboratory, and the items or services delivered were produced from materials for which the supplier has reports of chemical or physical analysis, or other equivalent evidence of conformance.

☐ 4.15.2 Processes used in the fabrication were in compliance with applicable specifications required by the purchase order, and/or other Laboratory approved procedures. No significant process changes were made during manufacturing or since issued of the Laboratory's purchase order/contract without written approval.

☐ 4.15.3 Items or services as delivered comply with specifications or other purchase order requirements.

☐ 4.15.4 Items in this contract have been produced from material supplied by the Laboratory on ANL Shipper No. _____.

☐ 4.16 First Article Acceptance: Laboratory acceptance of first article(s) is required prior to the production run. The first article(s) shall be identified, including the purchase order number, part number and name. The supplier is required to:

☐ 4.16.1 Submit the first article(s) for inspection or test by the Laboratory.

☐ 4.16.2 Submit a record of results of supplier's first article(s) inspection or test, including the actual dimensions or value of each specified characteristic.

☐ 4.16.3 After the Laboratory's acceptance all remaining units required by the purchase order shall be produced using the same design, materials, processes and tooling utilized to manufacture the approved first article(s). Any changes shall have written prior approval from the Laboratory.

☐ 4.17 Source Inspection or Surveillance: Items or services to be delivered under this purchase order require inspection, tests or surveillance by the Laboratory's representative at the supplier's facility. A minimum of 72 hours notice (or other time frames stipulated by ANL) shall be given by the supplier for scheduling of source inspection or surveillance.

☐ 4.18 Nonconformance Report: Any nonconformance to drawings, specifications or other contract requirements shall be recorded as found and submitted to the Laboratory for disposition. Further processing, delivery, installation, or use of nonconforming items shall be controlled pending an approved disposition by the Laboratory. Copies of the ANL approval document shall accompany each affected shipment or in the case of a service, a copy shall be included in a final buy-off release. Nonconformances shall be reported on Form ANL-311, "Supplier Disposition Request" (SDR).

☐ 4.19 End Item Documentation Package: Each item supplied shall have objective evidence that it complies with purchase order requirements. Documentation shall be complete, legible, indexed, and traceable to the item supplied, and contain the following, as applicable.

☐ 4.19.1 Reports for required inspections, examinations and tests, properly validated by the supplier's authorized personnel.

☐ 4.19.2 Record of the as-built configuration for each delivered item (including drawing number and revisions, parts list or other means of positive identification).

☐ 4.19.3 "Supplier Disposition Requests" properly dispositioned with Laboratory approvals (Ref. 4.18).

☐ 4.19.4 Material test reports with actual physical and/or chemical properties (Ref. 4.11).

☐ 4.19.5 A certificate of Conformance (Ref. 4.15).

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EXHIBIT 2.5-B

Guidelines for Writing Descriptions, Statements of Work and Specifications

To enable the Procurement Department to obtain requested supplies and/or services, a complete, accurate and sufficiently detailed description of the supply or service is required. The type of details provided must be commensurate with the complexity of the proposed procurement. For additional guidance contact your division office or the Procurement Department.

A. "Off the Shelf" commercially available supplies

For commercially available off-the-shelf-type supplies, it is necessary to provide the following type of detail to accurately describe the item(s):

1. Item name, (noun, adjective)
2. Manufacturer or supplier model/part/catalog number
3. Category code supplier or service
4. Desired quantity and unit of measure (ten each or one box of ten)
5. Delivery date required
6. Estimated unit price
7. Estimated extended price

Example:

Manufacturer/Supplier: Varian

item	Item description	model/part/ catalogue no.	category code	qty	u/m	delivery date required	estimated unit price	estimated extended price
1.		951-5098		1	each	4/10/96	$195.00	$195.00
2.		KC-16-SV		10	each	4/10/96	5.00	50.00
3.		KRC-1625-S		2	each	4/10/96	36.00	72.00

Purchase descriptions should be modified by the phrase *or equal*, in those cases where a particular manufacturer's product is not critical to the application.

EXHIBIT 2.5-B (CONTINUED)

To the maximum extent practicable, requisitioners are responsible for identifying candidate items for recycled products and revising specifications to include recycled materials. Special instructions should be provided to the buyer/contract specialist to explain unusual circumstances.

B. Commercially available services

For commercially available services, provide a noun description and a primary adjective description for the service desired and provide additional details under detail comments or by attaching notes to the requisition.

Example:

item	Item description	model/part/ catalogue no.	category code	qty	u/m	delivery date required	estimated unit price	estimated extended price
1.				1	Lot	4/10/96	2,850.00	$2,850.00
Russian Language Beginning: 60 hours total @ 3 hour sessions twice per week for 10weeks								
2.	book	training	category code	35	each	4/10/96	750	$2,625.00

C. Statements of Work

A clear, concise and complete statement of work is essential for sound procurement. The statement of work is used to communicate requirements to suppliers and is included in the solicitation, and incorporated into the resulting contract or purchase order.

Statements of work should state the actual minimum needs of the Laboratory and must be tailored to attain the desired degree of flexibility for supplier performance and creativity, both in submitting proposals and in contract performance. The degree of flexibility must be controlled in the sense that a statement of work that is too broad may be unpricable or not legally enforceable. Conversely, a statement of work that is too narrow may unduly restrict competition or the efforts of the supplier and result in the need for contract modifications.

EXHIBIT 2.5-B (CONTINUED)

The statement of work is the principle document against which prospective suppliers proposals will be evaluated and will serve as the starting point for development of technical evaluation criteria (reference Guidelines for Preparation of Technical Evaluation Criteria, Exhibit 2.5E) for a competitive procurement, and the development of the independent cost estimate (reference Guidelines for Preparation of an Independent Cost Estimate, Exhibit 2.5D).

A typical statement of work will be given a short but explicit title, and may be divided into six sections as follows:

1. Introduction (objectives) and background information
2. Scope (the overall or various phases; design, develop, fabricate, test and deliver)
3. Applicable documents and or specifications (if included or referenced)
4. Technical tasks and quality assurance
5. Reports, data, and deliverables
6. Other special considerations

Requisitioners are responsible for identifying candidate items for recycled products and developing specifications to include recycled materials to the maximum extent practicable.

Statements of work do not normally include names and phone numbers of Laboratory personnel, unnecessarily restrictive brand names, price, or duplicative/conflicting information in relation to the solicitation terms and conditions.

For additional guidance in the preparation of a statement of work, consult your division office or the Procurement Department.

D. Technical Specifications and/or Drawings

For items that are to be fabricated, or accepted by the Laboratory based on performance characteristics, details are usually presented in the form of requirements.

A detailed design specification should be used to set forth precise measurements, tolerances, materials, in-process and finished product tests, quality assurance, inspection requirements, and other specific information.

EXHIBIT 2.5-B (CONTINUED)

A performance specification should be used to set forth operational characteristics for an item. In such specifications, the design, measurement, and other details are not stated as long as the performance requirement is met. This is the preferred Laboratory approach in preparing specifications.

Requisitioners are reminded to incorporate the use of environmentally preferable and recycled products into all specifications. This practice implements U.S. Environmental Protection Agency (EPA) recommended minimum content standards on the following designated items:

1. Paper and paper products

2. Vehicular products
   a. Engine coolants
   b. Re-refined lubricating oils
   c. Retread tires

3. Construction Products
   a. Structural fiberboard
   b. Laminated paperboard
   c. Carpet
   d. Floor tiles
   e. Patio blocks
   f. Building insulation products
   g. Cement and concrete containing
      (1) coal fly ash
      (2) ground granulated blast furnace slag

4. Transportation products
   a. Traffic cones
   b. Traffic barricades

5. Park and recreation products
   a. Playground surfaces
   b. Running tracks

6. Landscaping products
   a. Hydraulic mulch
   b. Yard trimmings compost

EXHIBIT 2.5-B (CONTINUED)

7. Non-paper office products
   a. Office recycling containers
   b. Office waste receptacles
   c. Plastic desk-top accessories
   d. Toner cartridges

8. Binders

9. Plastic trash bags

10. Other items as designated by the EPA subsequent to the issuance of this document

For additional information, contact the Procurement Department or Facilities Management and Services (FMS).

Samples of specifications may be obtained from your division office or from the Procurement Department.

EXHIBIT 2.5-C

Frequently Used Category Code List

Air/Refrigeration Equipment & Supplies 4120
- AC Unit
- Heat Exchanger
- Refrigeration Unit

Chemicals 6810
- Non-Radioactive
- (For Radioactive See Nuclear Materials

Clothing, Apparel & Footwear 8400
- Clothing
- Insignias
- Shoes

Compressors 4310

Computer (ADP) Maintenance J070
- ADP/Hardware Maintenance
- ADP/Software Maintenance
- *Cost Code Element 426*

Computer (ADP) Supplies 7045
- Adapters
- Diskettes
- Computer Cables
- Mouse Pads
- Data Tables
- Computer Batteries

Computers-Input/Output & Storage Drives 7025
- Printers
- Disk Drives
- CD ROM Drives
- Memory
- Mouse/Input Tablet

Computer Software (Commercial Off-the-Shelf) 7030
- Computer Software
- *Cost Code Element 427*

Computer Software (Custom Software Applications) 7035

Computer Systems:PCS Workstations/Servers 7010
- Sun Workstations
- Intergraph Workstations
- DEC Workstations
- HP Workstations
- SGI Workstations
- IBM RS/6000

Construction Materials 5680
- Concrete
- Millwork
- Lumber
- Plywood
- Glass
- Tile

Cryogenic Equipment/Supplies 6835
- Cryogenic Coolers
- Helium Cryostats

Electrical Components 5975
- Circuit Breaker
- Lighting Fixtures
- Conduit
- Square D
- Cover Plates
- Switches
- Electrical Wire
- Transformer

Electrical Components 5999
- Connector
- Transceiver
- Fuse
- Transducer
- Micro Switch
- Transistor
- Power Supply
- Semiconductors
- Relay

Excess Property 9900

Fire Equipment 9200
- Alarms
- Fire Extinguisher

Furniture/Furnishings 7110
- Office Chairs
- Counter Tops
- File Cabinets
- Office Furniture
- Window Blinds

Floor Coverings (7220,7221)

Gases/Equipment and Supplies 6830

Hand Tools 5180
- Clamp
- Pliers
- Cutting Tool
- Saw
- Drill
- Screwdriver

Hardware 5340
- Brackets
- Wire
- Casters
- Screws
- Springs
- Rivets

Laboratory Equipment & Supplies 6640
- Centriguge
- Pressure Vessels
- Lab Ovens
- Lab Furniture
- Balances
- Fume Hoods

Locks and Keys 5315

Materials Handling 3990
- Cranes
- Hoist/Sling/Straps
- Dolly
- Forklift

Medical/Dental Optical Supplies 6515
- Creams/Ointments
- Medical/Surgical Instruments

Metal Fabrications 3408

Miscellaneous Office Machines 7490

Nuclear Materials 1140
- Nuclear Materials
- Isotopes
- Reactor Materials

Oils/Greases 9150
- Cutting Oil

Office Supplies 7510
- Toner Cartridge (7512)
- Typewriter Ribbon
- File Folders
- Binder

Packaging Materials and Containers 8135
- Bags
- Crates
- Drums
- Boxes/Cartons

Paint/Adhesive Supplies 8010
- Paint/Adhesives
- Paint Brushes

Photographic Supplies 6750
- Film

Photographic Equipment 6760
- Camera
- Developing/Finishing Equipment

Physical Properties Testing Equipment 6635
- Chromatographs
- Dosimeters
- Spectrometers
- Diffractometers
- Microscopes
- Detectors
- Lasers
- Goniometers
- Oscilloscopes
- Analyzers

Pipe/Valves/Fittings 4700
- Clamps
- Pressure Valves
- Couplings
- Pipe Fittings
- Flange/Gasket
- Solenoid Valves
- Insulation (pipe)
- Valves

Plastics 9330
- Lexan
- Polyethylene
- Nylon
- Polyurethane
- Plexiglas
- Teflon

Plumbing/Heating Supplies 4540
- Faucet
- Sink/Toilet
- Drinking Fountain
- Heaters

Power Transmission 3040
- Gear
- Sprocket
- Hub
- Belting

Precious Metals 9545

Publications 7610
- Books
- Newspapers
- Pamphlets
- Periodicals
- Maps

Pumps/Compressors 4310

Radio, TV & Video Equipment 7730
- TV
- VCR Video Camera

Repair/Maintenance J099
- Non ADP

EXHIBIT 2.5-C (CONTINUED)

Frequently Used Category Code List

			CAT.Code CODE
Rubber Products		**9320**	
Bar	Sheets		
Steel		**9515**	
Bar (round/square/hex)	Sheet		
Plate	Tubing		
Steel: Structural Shape		**9520**	
Angle	I-Beam		
Channel	S-Beam		
Telephone Equipment		**5805**	
Pagers	Fax Machines		
Telephones	Radio Transmitters/Receivers		
Vacuum Equipment Supplies		**4310**	
Large Vacuum Systems	Vacuum Pumps		
Vacuum Parts			
Vehicles		**2310**	
Cars	Tires		
Trucks	Vehicle Parts **(2590)**		
Vehicle Fuels, Oils and Greases		**9140**	
Gasoline			
Welding Supplies		**3439**	
Gloves	Hoods		
Goggles	Welding Rods		

EXHIBIT 2.5-D

GUIDELINES FOR PREPARATION OF AN INDEPENDENT COST ESTIMATE

Every procurement requirement needs a dollar estimate, generated by the requisitioner. This estimate is used to commit funds to the procurement, to establish financial parameters on the work effort and to evaluate prospective suppliers' estimates. This estimate should be as realistic as possible, and should be developed in conjunction with the formulation of the description, specification and statement of work.

A. Commercial Items

For most commercially available *off-the-shelf items*, the information provided on the requisition relative to quantity, unit of measure, estimated unit price and estimated extended price, is adequate.

B. Commercial Services

For most commercially available services, the information provided should be in the same *unit of measure* used for sale of the service, i.e., for a training service, the per class rate and the per textbook rate should be used to express the total estimate of the procurement.

C. Other Services and/or Non-Commercial Acquisitions such as Research and Development

For other services, the information provided should be commensurate with the complexity of the requirement. At a minimum, the following type of costs should be addressed:

1. **Labor**-describe the ***type*** (*scientist, engineer, technical, clerical*) and ***amount*** *(man hour, day, month, year*) of labor needed to perform the statement of work. On a complex multi-task procurement this estimate should be developed for each task and may serve as a technical evaluation criteria to ensure a supplier's understanding of the effort.

2. **Travel and per diem**-sufficiently detailed information regarding the number of trips, the destination(s),the duration of each trip, rental car if any, and any other travel related costs anticipated. *Note: For estimating purposes, GSA per diem rates can be viewed at http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd04d.html.*

3. **Other Direct Costs**-estimate quantity and unit costs of purchased items, raw materials, meeting room expenses, computer hours, as applicable.

EXHIBIT 2.5-D (CONTINUED)

D. A-E Services

For Architect-Engineer requirements, a detailed independently prepared cost estimate is required to be submitted to the Procurement Department for all requirements estimated to be greater than $25,000. This estimate should address the number of hours for each discipline, the approximate hourly rates and any proposed ancillary costs. At the discretion of the buyer/contract specialist, an independent cost estimate may be obtained from technical personnel at any dollar value in support of negotiations.

E. Construction

For Construction requirements, a detailed independently prepared cost estimate is required to be submitted to the Procurement Department for all requirements estimated to be greater than $25,000. At the discretion of the buyer/contract specialist, an independent cost estimate may be obtained from technical personnel at any dollar value in support of negotiations. This estimate must provide at a minimum a breakdown of labor, materials, and other direct costs.

F. Blanket Agreements

A requisition to establish a blanket agreement requires **an estimate of the anticipated total value of the orders that will be entered into against the agreement** and signature authorization commensurate with that estimate. The requisition for the blanket agreement itself does not require a valid cost account or funding to initiate the procurement; however, subsequent purchase orders will require valid cost accounts.

G. Incrementally Funded Contracts

For incrementally funded actions, requisitions must include signature authorization commensurate with the **estimated value** of the entire contract. While incremental funding is not encouraged, it may be appropriate for multi-year complex cost type requirements. Consult the Procurement Department for guidance and coordination of these special procurements.

EXHIBIT 2.5-E

GUIDELINES FOR PREPARATION OF TECHNICAL EVALUATION CRITERIA

Prior to issuance of an award, it is necessary to assure that the supply or service offered by a supplier will meet the needs of the requisitioner. Therefore, some solicitations will require development of selection and technical evaluation criteria.

The requisitioner has primary responsibility for identifying the technical criteria to be used for evaluation of a quote or proposal. The Procurement Department has primary responsibility for cost and price evaluation. The selection and evaluation strategy must be determined prior to issuance of a solicitation and may be developed using the Basic Source Selection Process Guidelines as described in Chapter III. Determining which selection criteria to use is a joint decision between the Procurement Department and the requisitioner. Technical criteria can range from very simple, i.e., brand name or equal for a commercially available off-the-shelf item to very complex, i.e., technical approach to the development of a prototype membrane with specified chemical differentiation properties.

When multiple technical criteria are utilized, the requisitioner must indicate which criteria are the most important. This can be accomplished by using mandatory minimum qualifications, ranking criteria and assigning weights (hypothetical points) to the various criteria. Three samples of evaluation criteria follow:

A. **Sample GO, NO-GO Technical Evaluation Criteria**

Mandatory Minimum Requirements:

1. Supplier must be a licensed special waste hauler in the State of Illinois.

2. Supplier must demonstrate experience (a minimum of "X" years) with waste reduction and waste minimization programs with federal, state, or local government entities.

3. Supplier must demonstrate experience (a minimum of "X" years) with waste reduction and waste minimization programs commercially.

4. Supplier must have personnel with experience in the training/outreach elements of waste reduction and waste minimization programs.

5. Supplier must identify emerging resale markets for recyclable materials.

EXHIBIT 2.5-E (CONTINUED)

(NOTE: Award is made to the lowest price offeror rated "GO" on all mandatory requirements.)

B. Sample Two Step Technical Evaluation Criteria

The following technical evaluation criteria have been listed in descending order of importance.
(Note: point scoring may be used to assist in determining ranking of suppliers).

1. Technical approach

    a. Reliability
    b. Maintainability
    c. Producibility and economy
    d. Technical data and documentation
    e. Overall size and weight
    f. Power consumption
    g. Environmental range
    h. Shielding techniques

2. Management personnel and facilities

    a. Evidence of good organizational and management practices
    b. Qualifications of personnel
    c. Adequacy of facilities
    d. Experience in similar or related fields
    e. Record of past experience
    f. Geographic location

3. General quality and responsiveness of proposal

    a. Completeness and thoroughness
    b. Grasp of the problem
    c. Responsiveness to terms, conditions and time of performance

(NOTE: Price is not point scored and is evaluated in the second step of this process.)

EXHIBIT 2.5-E (CONTINUED)

C. Sample Best Value Technical Evaluation Criteria

The following technical evaluation criteria have been listed in descending order of importance. (Note: various scoring techniques may be used to assist in determining ranking of suppliers).

1. Technical approach

    a. Project planning
    b. Feasibility of approach
    c. Use of supporting data
    d. Plans for reports and other documentation

2. General quality and responsiveness

    a. Completeness and clarity
    b. Grasp of the problem
    c. Responsiveness to terms, conditions, and time of performance

3. Management, personnel, and facilities

    a. Evidence of good organizational and management practices
    b. Qualification of personnel
    c. Experience in similar or related fields
    d. Record of past performance
    e. Adequacy of facility

    (NOTE: A trade off analysis is made by the Source Selection Official between the pricing and technical merits of proposals.)

Documentation requirements will vary dependent on the type of selection and evaluation criteria incorporated into the solicitation. Each solicitation will be tailored to meet the specific requirements set forth in the statement of work.

FOR FURTHER ASSISTANCE IN DEVELOPING EVALUATION CRITERIA, CONSULT YOUR DIVISION OFFICE AND THE PROCUREMENT DEPARTMENT.

EXHIBIT 2.5-F

TECHNICAL REPRESENTATIVE ASSIGNMENT

_____ has been assigned the role of Technical Representative for Procurement Requisition No. _____ for the purposes set forth herein.

AUTHORITY AND REQUIREMENTS

The Technical Representative will interface with the Procurement Department regarding technical questions on the Procurement Requisition, and serve as the liaison with the vendor regarding technical issues after award of a purchase order, contract or agreement. For contractual questions, a Procurement Department representative will serve as the primary point of contact with the supplier after award of a purchase order, contract or agreement.

The Technical Representative and Buyer/Contract Specialist are responsible for the proper and effective management of the contract.

A. Evaluation, Pre-Proposal Conferences, Award, and Debriefings

1. The technical representative is responsible for development of the statement of work and the technical evaluation criteria that may be needed for a solicitation. Development of technical evaluation criteria is described in Exhibit 2.5E, Guidelines for Preparation of Technical Evaluation Criteria.

2. In the event a sole source justification is appropriate, the Technical Representative is responsible to assure that appropriate information and justification is included in the request.

3. After issuance of the solicitation but before the proposals or quotations are received, a pre-proposal conference may be scheduled to allow prospective suppliers to visit the site where work is to be performed or to ask questions related to the solicitation. If a pre-proposal conference is scheduled, the technical representative will be expected to attend and answer technical questions.

4. Proposals or quotations will be reviewed and ranked in accordance with the technical evaluation criteria included in the solicitation, and the applicable Basic Source Selection Process Guidelines as described in section 3.5 of Chapter 3 of the Procurement Operations Manual (POM). The Technical Representative, as a technical evaluator or a

EXHIBIT 2.5-F (CONTINUED)

member of a technical evaluation team (TET), and all the individual(s) participating on the team will be required to conform to conflict-of-interest and standards of conduct policies administered by the Procurement Department. Specific direction relevant for each procurement will be provided to technical evaluators by the Procurement Department to ensure a Conflicts of Interest Form (ANL-404) is obtained as necessary in accordance with Argonne Human Resources Policy No. 7100.1, Procedure No. 7100.1, and the Argonne PRO Operations Manual (POM).

5. The Technical Representative will be responsible to assure that any supplier audits/surveys, etc., are conducted in accordance with the criteria contained in the appropriate solicitation or, if after award, in accordance with the requirements of the contract/purchase order.

6. After an award has been made, unsuccessful offerors may request debriefing. The Procurement Department may require the assistance of the technical representative to present information of a technical nature at the debriefing. The Procurement Department will conduct all supplier debriefings.

B. Directing Work and Other Technical Responsibilities

1. After a purchase order, contract or agreement has been awarded, the Argonne Technical Representative has the responsibility to act as a liaison to assist and/or monitor the vendor in completion of the work as described in the contract, purchase order or agreement. The Technical Representative is at all times representing the Laboratory.

   The Technical Representative shall provide technical direction which, depending on contract requirements, may be issued in writing or orally; however, written direction is always preferred in order to avoid confusion and to establish a record of all communications.

   The Technical Representative approves the contractor's plans, designs, drawings, specifications, processes, and documentation as required.

   The Technical Representative will serve as the responsible focal point for each contract in ensuring that Laboratory safety policies are complied with. It is his/her responsibility to coordinate and ensure that all Laboratory ESH safety approvals, practices and policies are accomplished for all work performed by contractors at the Argonne site. These

EXHIBIT 2.5-F (CONTINUED)

activities may include surveillance of contractor activities for compliance with safety provisions of contracts, as well as any applicable contractor safety plans approved by the Laboratory. Note that Technical Representatives will either personally survey contractors or suppliers, or establish processes to ensure that they are in compliance with appropriate Laboratory safety policies at all times.

The Technical Representative coordinates availability/surveillance of Argonne furnished (or contractor purchased) property, information and equipment as specified in the contract and assures coordination is affected with the Property Department to assure such equipment is documented and is included in Argonne Property records.

The Technical Representative assures and documents quality assurance and contract performance and shall notify the Buyer/Contract Specialist of any deficiencies or instances of non-compliance with contract requirements.

The Technical Representative reviews and approves any final research reports, technical papers and presentations to technical societies, seminars, and/or public release.

2. All technical direction must be within the scope of the statement of work, and in accordance with contract terms. In the course of performing work, circumstances may arise that make it necessary to enlarge, reduce, or otherwise modify the statement of work. The Technical Representative is responsible for identifying the need for any change and determining if that change will have an effect on the purchase order, contract or agreement schedule, cost or statement of work. The Technical Representative must initiate a requisition to accomplish any change that affects the period of performance, the price or estimate of costs, or the statement of work. Administrative changes such as naming a new technical representative or revising key personnel may also be accomplished by issuance of a change requisition. Change requisitions are subject to the same type of reviews and approvals as original requisitions, and should be coordinated with the division office, other Laboratory divisions, as needed, and the Procurement Department. Direction outside the statement of work can result in cost overruns and/or claims from the vendor.

   The Technical Representatives personally may be held financially responsible for issuance of direction outside the scope of statement of work.

EXHIBIT 2.5-F (CONTINUED)

The Technical Representative shall serve as a team member in any negotiations with the contractor resulting from changes.

The Technical Representative shall assist in any termination action and/or any contractor claims against the Laboratory.

3. Coordination of site access (including cyber access) for suppliers with existing purchase orders, contracts, or agreements is the responsibility of the Technical Representative. Arrangements for site access must be coordinated with the Visitor Reception Center and/or the Security Department, as required.

C. Acceptance of Deliverables

In addition to the Receiving Department, the Technical Representatives may be responsible for verification of receipt of deliverables and for acceptance of those deliverables on behalf of the Laboratory. Such acceptance should be coordinated, when appropriate, with division QAR. In the event deliverables are not received or are not accepted, the Procurement Department should be notified of the problem as soon as possible, and any action taken to correct the problem.

D. Invoice Approvals

The Technical Representative is responsible for the review and approval of supplier invoices. This includes verifying that the products and or services that appear on the invoices have been received and are acceptable. This responsibility is coordinated by the Accounts Payable department, and entails a review of the detailed charges that may be submitted, and acceptance or exception to each item.

E. Standards of Conduct

The Technical Representative shall conduct all activities in a manner above reproach. Transactions relating to the commitment of Laboratory funds require the highest degree of trust and an impeccable standard of conduct. Compliance with all Laboratory policies, procedures, etc., including but not limited to ethics, business conduct, and conflicts of interest is mandatory.

EXHIBIT 2.5-G

ADMINISTRATIVE REPRESENTATIVE ASSIGNMENT

_____ has been assigned the role of Administrative Representative for Procurement Requisition No. _____ for the purposes set forth herein.

AUTHORITY AND REQUIREMENTS

The Administrative Representative will interface with the Procurement Department regarding Administrative questions on the Procurement Requisition, and serve as the liaison with the vendor regarding Administrative issues after award of a purchase order, contract or agreement. For contractual questions, a Procurement Department representative will serve as the primary point of contact with the supplier after award of a purchase order, contract or agreement.

The Administrative Representative and Buyer/Contract Specialist are responsible for the proper and effective management of the contract.

A. In the event a sole source justification is appropriate, the Administrative Representative is responsible to assure that appropriate information and justification is included in the request.

B. Directing Work and Other Administrative Responsibilities

1. After a purchase order, contract or agreement has been awarded, the Argonne Administrative Representative has the responsibility to act as a liaison to assist and/or monitor the vendor in completion of the work as described in the contract, purchase order or agreement. The Administrative Representative is at all times representing the Laboratory.

   The Administrative Representative shall provide Administrative direction which, depending on contract requirements, may be issued in writing or orally; however, written direction is always preferred in order to avoid confusion and to establish a record of all communications.

   The Administrative Representative approves the contractor's plans, designs, drawings, specifications, processes, and documentation as required.

   The Administrative Representative will serve as the responsible focal point for each contract in ensuring that Laboratory safety polices are complied with. It is his/her responsibility to coordinate and ensure that all Laboratory ESH safety approvals, practices and policies are accomplished for all work performed by contractors at the Argonne site. These activities may include surveillance of contractor activities for compliance with safety provisions of contracts,

EXHIBIT 2.5-G (CONTINUED)

as well as any applicable contractor safety plans approved by the Laboratory. Note that Administrative Representatives will either personally survey contractors or suppliers, or established processes to ensure that they are in compliance with appropriate Laboratory safety policies at all times.

The Administrative Representative coordinates availability/surveillance of Argonne furnished (or contractor purchased) property, information and equipment as specified in the contract and assures coordination is affected with the Property Department to assure such equipment is documented and is included in Argonne Property records.

The Administrative Representative assures and documents quality assurance and contract performance and shall notify the Buyer/Contract Specialist of any deficiencies or instances of non-compliance with contract requirements.

2. The Administrative Representative must initiate a requisition, to accomplish any change that affects the period of performance, the price or estimate of costs of the statement of work. Administrative changes, such as naming a new Administrative representative, or revising key personnel, may also be accomplished by issuance of a change requisition.

   The Administrative Representatives may be personally held financially responsible for issuance of direction outside the scope of statement of work.

   The Administrative Representative shall serve as a team member in any negotiations with the contractor resulting from changes.

   The Administrative Representative shall assist in any termination action and/or any contractor claims against the Laboratory.

3. Coordination of site access (including cyber-access) for suppliers with existing purchase orders, contracts, or agreements is the responsibility of the Administrative Representative. Arrangements for site access must be coordinated with the Argonne Information Center and/or SCD-Security Administration, as required.

C. Acceptance of Deliverables

In Addition to the Receiving Department, the Administrative Representatives may be responsible for verification of receipt of deliverables and for acceptance of those deliverables on behalf of the Laboratory. Such acceptance should be coordinated, when appropriate, with division QAR. In the event deliverables are not received or are not accepted, the Procurement Department should be notified of the problem as soon as possible, and any action taken to correct the problem.

EXHIBIT 2.5-G (CONTINUED)

D. Invoice Approvals

The Administrative Representative is responsible for the review and approval of Supplier invoices (if required). This includes verifying that the products and or services that appear on the invoices have been received and are acceptable. This responsibility is coordinated by the Accounts Payable department, and entails a review of the detailed charges that may be submitted, and acceptance or exception to each item.

E. Standards of Conduct

The Administrative Representative shall conduct all activities in a manner above reproach. Transactions relating to the commitment of Laboratory funds require the highest degree of trust and an impeccable standard of conduct. Compliance with all Laboratory policies, procedures, etc., including but not limited to ethics, business conduct, and conflicts of interests is mandatory.

3.1 INTRODUCTION

3.1.1 PURPOSE

To provide Argonne National Laboratory employees with basic information on several of the fundamental processes used to accomplish procurement objectives at the Laboratory.

3.1.2 SCOPE

This guideline applies to the activities that involve both the customer and the Procurement Department. These activities include pre-solicitation assessment of the requirement, milestone planning for significant procurements, evaluations performed by the technical representative, and basic source selection guidelines.

3.2 PRESOLICITATION AND PREAWARD GUIDELINES

The requisition package is prepared by the customer to communicate the details of a requirement for supplies and or services to the Procurement Department, and subsequently to the supplier. The requisition package must provide enough information to allow the Procurement Department and a supplier to satisfy the requirement in a timely and cost effective manner. The type of information that should be included in a requisition package and the procurement specific considerations that will be used by the buyer/contract specialist to issue a solicitation are identified in **Exhibit 3.2-A**, *Presolicitation and Preaward Guidelines*.

EXHIBIT 3.2-A PRESOLICITATION AND PREAWARD GUIDELINES

A. Requisition Package

The buyer/contract specialist shall assure that the following information has been provided, and shall coordinate correction of any deficiencies in the requisition package with the requisitioner, as appropriate:

1. Determine that funds are available by verification that a valid cost code is cited on the requisition. If the requisition provides for procurement action up to point of award, assure that a "point" requisition is provided for the funding action that cites a valid cost code. If funds are not provided (i.e., blanket agreements), or if incremental funding is to be utilized, assure that an estimate of total funding is provided. Where appropriate, an independent "should cost" estimate is provided.

2. The requisition is accompanied by a statement of work (SOW) or product description (PD) that is clear and unambiguous. The SOW or PD shall state the actual minimum needs of the Laboratory. The SOW shall not contain any references to calendar dates, dollars, or supplier names.

3. Appropriate sources of supply for the item(s) or service(s) have been identified by the requisitioner.

   a. For supplies or services to be acquired on a competitive basis, the requisitioner shall identify multiple sources believed to be capable and reliable.

   b. If the supplies or services are to be acquired on a non-competitive basis, the requisitioner shall provide the single source of supply, and, for those acquisitions valued in excess of $15,000, an adequately supported Justification for Noncompetitive Procurement (JNCP, ANL-410) shall be included with the requisition.

4. If the supplies or services are to be acquired on a competitive basis, the requisitioner shall identify the technical evaluation criteria against which proposals shall be evaluated. The technical criteria shall be consistent with the minimum needs set forth in the SOW. The relative importance of the stated evaluation criteria shall be provided by the requisitioner.

5. The due dates for any deliverables, the target start date and/or the anticipated period of performance have been provided by the requisitioner.

6. Options, if any, have been identified (i.e., additional performance years; additional items, etc.).

7. The place where the work is to be performed has been identified and a risk assessment and Environment, Safety, Health, and Quality Assurance Division (ESQ) approval, if required, has been accomplished.

8. Quality assurance level has been identified and approved by the cognizant personnel.

9. If work is to be performed by a specific individual, the forms ANL-482A and 482B must be included in the PARIS requisition folder in accordance with Laboratory policy (not required if duration of work is 14 days or less). For existing awards, when submitting Purchase Requisitions that (1) require any additional work, or (2) those that add time or (3) change the existing scope, requisitioners must include the most current version of the ANL-482A and ANL-482B forms.

10. Property, if any, to be furnished by the Laboratory or acquired by the supplier has been identified.

11. Classified material; applicability of Facility Clearance; or applicability of Organizational Conflict of Interest (OCI) have been identified and all required forms, questionnaires, or fact sheets have been completed and accompany the requisition.

12. Any special funding or financing provisions (i.e., cash with order, milestone payments, cost-share arrangements, wire transfer, or incremental funding) have been clearly identified and explained.

13. Approval from the Office of the Director to engage in work related to overseas nuclear reactors has been obtained.

14. The requirements for a workplace substance abuse program have been explained.

15. A high risk property determination has been made by the requisitioner.

16. Any other information has been provided, as applicable.

B. Procurement Specific Presolicitation Topics

Prior to issuance of a solicitation, the buyer/contract specialist shall, as appropriate:

1. Determine if the procurement has been designated or meets the dollar threshold requirements for a significant procurement. If so, completion/approval of a Solicitation Milestone Plan is required (see Exhibit 3.3-A).

2. Determine if the requirement can be obtained as a socioeconomic set-aside.

3. Identify any additional sources of supply, if any are known.

4. Determine if the item or services meet the definition of commercial items/services. If so, acquisition shall be effected in accordance with Chapter 4, Commercial Procurements.

5. Determine the appropriate contract type, including any special terms or conditions, intellectual property provisions, or representations and certifications that may be needed. Obtain legal review/concurrences as required for intellectual property provision choices or any deviation from standard terms and conditions packages/contract formats.

6. Terms and conditions are modified as appropriate when work is to be performed by a foreign firm outside the United States. Legal review shall be accomplished to determine if a treaty is in existence that may supercede standard intellectual property provisions.

7. Assure review by the manager of Export Control for all foreign procurements where the work will be performed outside the United States.

8. Determine if the Service Contract Act applies to the services being acquired. If so, request a Service Contract Act wage determination.

9. Assure that approval by the Institutional Biosafety Committee (IBC) through the Biosciences Division director is obtained for acquisitions involving research studies, tests, surveys, surveillance, or other data involving human subjects.

10. The buyer/contract specialist shall assure that all necessary management approvals are obtained *prior* to issuance of a solicitation package.

C. Procurement Specific Preaward Topics

The buyer/contract specialist shall, prior to award as appropriate:

1. Assure that all required certifications for Cost Accounting Standards are obtained from the contractor (form ANL-70B, Preaward Information Booklet of Representations and Certifications or electronic representations and certifications from the ORCA website).

2. Assure that, when required, Small Business Subcontracting Plans are obtained and approved by the Department's Small Business Liaison Officer (SBLO) and the Procurement Manager. In the event a Small Business Subcontracting Plan is required, but not obtained, a waiver shall be obtained that provides approval of the SBLO and the Procurement Manager.

3. Obtain preaward advisory audits or Equal Employment Opportunity (EEO) Compliance Reviews through DOE when required, or obtain approval by the Procurement Manager for waiver of such audits.

4. Consider any other specific procurement concerns.

5. Coordinate with Argonne Legal whenever a bidder/offeror has identified data in response to an Argonne solicitation as proprietary or limited rights, or has taken exception to any clause contained in the standard terms and conditions.

6. Assure that all required notifications to or approvals from DOE are obtained as required in Part 8, DOE Specific Requirements.

3.3 SOLICITATION MILESTONE PLAN

Procurement planning is a joint responsibility shared by the requesting division and the Procurement Department. Agreement on the details and approach to a significant procurement will be documented by use of a *Solicitation Milestone Plan* (see **Exhibit 3.3-A**). *A Solicitation Milestone Plan* must be coordinated with the requesting division and approved by the Procurement Manager. A significant procurement is any procurement that is estimated to be valued in excess of $750,000.00 or is otherwise designated significant by the Procurement Manager.

3.4 TECHNICAL EVALUATION

Quotes and proposals received from prospective suppliers must be reviewed to ensure that the quote or proposal will satisfy the requirement. In many cases, an evaluation by the technical representative is the only way to ensure that the offer is acceptable. To streamline this technical review process, the Procurement Department has developed formats to assist the Technical evaluator in reviewing information provided by a potential supplier. Two examples of the formats used by the Procurement Department are included in this chapter *as Proposal Evaluation Required in Support of Negotiated Contract Awards*, **(Exhibit 3.4-A)** *and Technical Review Request* **(Exhibit 3.4-B)**.

EXHIBIT 3.4-A PROPOSAL EVALUATION REQUIRED IN SUPPORT OF NEGOTIATED CONTRACT AWARDS

Argonne NATIONAL LABORATORY

ANL-555(November 6, 2009)

PROPOSAL EVALUATION REQUIRED IN SUPPORT OF NEGOTIATED CONTRACT AWARDS

Provide an evaluation and supporting rationale for conclusions and recommendations covering the applicable items listed below. While **YES** and **NO** answers are indicated on this form, these initial responses should be supported by brief statements on an accompanying attachment. Your signature evidences your agreement to abide by the Laboratory's Conflict of Interest and Confidentiality Agreements set forth below.

REQUISITION NO. _____ **CONTRACT NO.** _____

		YES	NO
	General Remarks:		
1.	A. Are the supplier's proposed statement of work and schedule compatible with Argonne requirements?	☐	☐
	B. Is further information required from the supplier?	☐	☐
2.	Evaluation of Quantitative and Qualitative Factors:		
	A. Man-Hours		
	1) Are the quantities of Man-hours reasonable for the proposed effort?	☐	☐
	2) Are the types of labor (i.e., engineering, scientific, technicians, etc.) and levels of proposed skills appropriate for the proposed effort?	☐	☐
	B. Materials		
	1) Are the type and quantity of materials necessary and appropriate?	☐	☐
	2) Is the estimated cost reasonable from a technical point of view?	☐	☐
	C. Travel and Per Diem Is the number of trips, length, and destinations, necessary for the performance of the contract?	☐	☐
	D. Other Direct Costs Included in this category are items such as equipment, tooling, consultants, computer usage, publications, etc.		
	1) Are these items required, quantities reasonable and justifiable for performance of the contract?	☐	☐
	2) From a technical perspective, are the costs realistic for the work (i.e. number of hours and labor categories proposed)?	☐	☐

Confidentiality Agreement

I agree to review the proposals received based solely on the specifications/requirements set forth in the solicitation and provide written comments to the best of my technical judgment. I certify that:

1. I will use information contained in the proposal(s)/quotation(s) for Argonne National

1

Laboratory (Argonne) evaluation purposes only and treat all information provided in confidence.

2. I will not photocopy or otherwise record information contained in the subject proposal (for other than evaluation purposes).

3. I will not discuss the proposal outside of the evaluation proceedings with anyone, including the originator of the proposal, without prior written approval of the Argonne contracting officer.

4. I will use best efforts to handle proposals to prevent inadvertent access by others outside the evaluation team and Argonne employees who have a need to know.

I will refer any questions regarding this Confidentiality Statement to the cognizant Contract Specialist/Buyer.

Conflict of Interest

I agree not to make or to influence any decision on behalf of Argonne National Laboratory if my personal interests or the personal interests of anyone related to me, as defined by Argonne policy, may be incompatible with the interest of the Laboratory or the Government. Specifically, I agree that I will not:

1. **Participate in discussions with or influence the letting of a subcontract or purchase order with a company in which I or anyone related to me, has an employment relationship or financial interest, or**

2. **Prepare an evaluation for the Laboratory or for the Government of some aspect of the work of another organization with which I or anyone related to me has an employment interest, or which is a competitor or any organization (other than Argonne National Laboratory) in which I or anyone related to me has an employment relationship or financial interest, or**

3. **Enter into or influence the letting of contracts or purchase orders with a company, from which Argonne National Laboratory is likely to make purchases, in which I or anyone related to me has an employment relationship or financial interest.**

I will promptly disclose any incompatibilities between my duties at Argonne National Laboratory and my private interests or the private interests of anyone related to me, and will refer all doubtful questions to the Office of the Chief Financial Officer (OCF).

By signing below, I also certify that I am in compliance with the Laboratory's Confidentiality and Conflict of Interest Policies.

REVIEWED AND APPROVED OR DISAPPROVED AS NOTED

_____ _____

SIGNATURE DATE

TITLE _____

2

EXHIBIT 3.4-B TECHNICAL REVIEW REQUEST

Argonne NATIONAL LABORATORY

ANL-557 (December 20, 2007)

ARGONNE PROCUREMENT DEPARTMENT
TECHNICAL REVIEW REQUEST

DATE: _____ **REQUISITION NO.** _____

TO: _____ _____ **Phone:** _____

FROM: _____ OCF-PRO 201 **Phone:** _____

Attached for your **technical** evaluation only are copies of quotations received in response to our solicitation on the subject requisition. In the event that the low bidder does not meet Argonne specifications included with your requisition, please limit your technical evaluation to discussion of the specific points where the low bidder falls short in meeting Argonne specifications. It would also help if you would advise why these points of the specifications are important to your research.

Please avoid discussion of peripheral information which was not included as part of your specifications and avoid technical discussions of bids which are higher priced than the lowest bid which meets specification. The higher priced bids eliminate themselves on price alone.

No further Procurement action will be taken pending receipt of your comments. If we do not receive a reply by _____, no further Procurement action will be taken.

ADDITIONAL BUYER COMMENTS:

As a condition of transmittal of the Proposal(s)/quotation(s) the recipient agrees as evidenced by signature below to the Confidentiality Agreement and Conflict of Interest Agreement set forth below:

Confidentiality Agreement

I agree to review the proposals received based solely on the specifications/requirements set forth in the solicitation and provide written comments to the best of my technical judgment. I certify that:

1 I will use information contained in the proposal(s)/quotation(s) for Argonne National Laboratory (Argonne) evaluation purposes only and treat all information provided in confidence.

2 I will not photocopy or otherwise record information contained in the subject proposal (for other than evaluation purposes).

3 I will not discuss the proposal outside of the evaluation proceedings with anyone, including the originator of the proposal, without prior written approval of the Argonne contracting officer.

4 I will use best efforts to handle proposals to prevent inadvertent access by others outside the evaluation team and Argonne employees who have a need to know.

I will refer any questions regarding this Confidentiality Statement to the cognizant Contract Specialist/Buyer.

Conflict of Interest

I agree not to make or to influence any decision on behalf of Argonne National Laboratory if my personal interests or the personal interests of anyone related to me, as defined by Argonne policy, may be incompatible with the interest of the Laboratory or the Government. Specifically, I agree that I will not:

EXHIBIT 3.4-B (CONT.)

1. Participate in discussions with or influence the letting of a subcontract or purchase order with a company in which I or anyone related to me, has an employment relationship or financial interest, or

2. Prepare an evaluation for the Laboratory or for the Government of some aspect of the work of another organization with which I or anyone related to me has an employment interest, or which is a competitor or any organization (other than Argonne National Laboratory) in which I or anyone related to me has an employment relationship or financial interest, or

3. Enter into or influence the letting of contracts or purchase orders with a company, from which Argonne National Laboratory is likely to make purchases, in which I or anyone related to me has an employment relationship or financial interest.

I will promptly disclose any incompatibilities between my duties at Argonne National Laboratory and my private interests or the private interests of anyone related to me, and will refer all doubtful questions to the Office of the Chief Financial Officer (OCF).

COMPLETE THE FOLLOWING AND RETURN

☐ Low bid is technically acceptable, proceed with order placement.

☐ Low bid is not technically acceptable.

REASON:

RECOMMENDATION:

REVIEWED AND APPROVED OR DISAPPROVED AS NOTED

SIGNATURE: _____ *DATE:* _____

TITLE: _____

3.5 BASIC SOURCE SELECTION PROCESS GUIDELINES

Each requirement generated by a requesting division is evaluated by the Procurement Department to determine the best way to obtain the required supply and or service. Several of the most commonly used approaches, and the type of selection and evaluation criteria to be used with each, are described in **Exhibit 3.5-A**, *Basic Source Selection Process Guidelines*. Each of these methods is briefly described and represents a variation on the basic model. Selection of the best procurement approach is the responsibility of the Procurement Department with input from the requesting division.

EXHIBIT 3.5-A BASIC SOURCE SELECTION PROCESS GUIDELINES

4.1 INTRODUCTION

4.1.1 PURPOSE

To establish the procurement processes and guidelines to be used by the Procurement Department for the acquisition of commercial items. Commercial procurements will be awarded using fixed-price acquisition documents; or indefinite-type contracts that have fixed unit prices and definitive task/work/delivery orders issued against them, including labor-hour-time-and material types, provided the following conditions are met:

1. The labor-hour-time-and-materials-type contract must result from competition in accordance with Chapter 1.3 Definitions, "Competition," and

2. Other direct costs may not be a significant portion of the total cost (i.e., are minimal); are reimbursed at actual cost only; and are limited to the specific cost elements cited in the contract schedule.

3. The contract includes a ceiling price that the contractor exceeds at its own risk.

4.1.2 SCOPE

This guideline applies to the purchase of all commercial items. It **does not** apply to:

- Real property;
- Services that are sold based on hourly rates without an established catalog or market price for a specific service performed;
- Cost-reimbursement or any other contract type that does not conform to Step 4.1.1, above;
- Construction requirements;
- Research and development work; or
- Architect-engineering services.

4.2 PRE-SOLICITATION PREPARATION GUIDELINES

4.2.1 PRE-SOLICITATION GUIDELINES

Using Pre-Solicitation Guidelines (see Chapter 3, *Fundamental Procurement Process*), the requisition and all supporting documentation shall be reviewed to ensure that:

(a) Commercial supplies or services are being acquired;

(b) The accompanying documentation regarding any special considerations is complete; and

(c) Any/all necessary approvals regarding dollar thresholds, or specific commodity requirements, have been obtained.

4.2.2 SOLICITING COMPETITION

(a) For requisitions of $25,000 or less, solicitation of one source is sufficient. Additional sources may be solicited at the discretion of the buyer/contract specialist;

(b) For requisitions in excess of $25,000, solicitation of two or more sources that are reasonably expected to be able to provide independently priced offers is sufficient, unless the requirement is exempt from competition requirements by one or more of the following:

1. Justification for Non-Competitive Procurement, approved by Procurement;

2. Utility service available from only one source;

3. Educational service from non-profit institution;

4. Supply or Service available from Government Supply Sources, including other government-owned contractor-operated laboratories, DOE directed procurements, awards made under the Small Business Administration 8(a) Program valued at less than $3 million ($5 million for construction); or in accordance with the current Argonne Small Business Subcontracting Plan; or

5. Follow-on awards to existing purchase orders, contracts or agreements covering:

   a. incremental funding actions;

b. exercising pre-priced options identified and priced in the original agreement;

c. changes within the general scope of the contract as determined by Procurement personnel; or

d. awards entered into under blanket agreements where the blanket agreement was competed or initially supported with a JNCP.

4.2.3 SOLICITATION METHOD

(a) For solicitations of $100,000 or less where award is expected to be based upon price alone, either oral or written requests for quotation (RFQ) are used;

(b) For solicitations in excess of $100,000 where award is expected to be based upon price alone, or which require work to be performed on site at any value, written requests for quotation are used; and

(c) For solicitations where an award is based upon Best Value selection criteria, written requests for proposal (RFP) are used.

4.2.4 SOLICITATION TERMS AND CONDITIONS

(a) All solicitations for commercial supplies greater than $3,000.00 or designated as Quality Assurance (QA) Level A or B at any value, and solicitations for services shall include form ANL-71-COM, *Argonne Terms and Conditions for Commercial Items*. Solicitations for supplies valued at $3,000.00 or less, except those designated as QA Level A or B, require no terms or conditions.

(b) All solicitations for commercial supplies or services which require work to be performed on site, shall include the provisions in applicable *Instructions for High, Moderate or Low Risk Service Contractor*, PD-107, PD-109 or PD-110 and form ANL-366H, ANL-366M, or ANL-366L, *Work by Contractors on the Argonne Site - Supplemental Conditions,* as prescribed in Chapter 9.2.9, *Contracts for Services*, Section 9.2.9.2.

(c) Written solicitations for commercial supplies or services which require the production or delivery of data in which the Laboratory or the government require rights should also include Appendix D-08-C, *Intellectual Property Provisions, Supply and Commercial Services Contract Requiring Delivery of Data* (see Exhibit 4.2-A).

(d) When soliciting quotations or proposals from foreign firms or from U.S. firms providing foreign made end products for which work is performed outside the United States, form ANL-71-COM, *Argonne Terms and Conditions for Commercial Items,* should be modified as appropriate (see Chapter 9, Section 9.2.4).

(e) Certain commercial purchases may require additional terms and conditions. Procurement personnel will ensure that all appropriate terms and conditions are incorporated into commercial awards.

1. Nuclear hazards indemnity provisions are required to be incorporated into any applicable commercial item awards.

2. Organizational Conflict of Interest (OCI) and Facility Clearance contract provisions and representations will be included in any applicable commercial acquisition involving potential conflicts of interest, conflicts of interest or access authorizations.

3. A clause similar to DEAR 970.5204-19 shall be incorporated into applicable contracts involving printing requirements.

4. Contracts involving commercial services requiring the maintenance of a system of records on individuals will include an appropriate *Privacy Act* clause listed at Chapter 10.

5. Any fixed-price contract where travel costs are paid on a cost-incurred basis will include an appropriate Appendix C, Travel Policy for Contractor Personnel, Form ANL-529, and a *Records Retention* clause.

6. Commercial awards involving "classified" information will include an appropriate *Safeguarding Classified Information* clause as described in DEAR 970.0404.

4.2.5 SOLICITATION REPRESENTATIONS AND CERTIFICATIONS

a. For purchases of commercial supplies or services from the following organizations, Representations and Certifications are NOT required:

1. Other DOE prime contractors (when operating under their DOE Prime Contract);

2. Awards made under *Memorandum Purchase Orders*;

3. Awards made to Government Supply Sources; or

4. Awards to the University of Chicago Campus Computer Stores.

b. For purchases of commercial supplies or services NOT requiring the delivery of technical data:

1. For all actions $25,000 or less, the buyer/contract specialist shall obtain written or oral verification of the supplier's size, socioeconomic status (EEO compliance reporting if over $10,000), and Buy American Act Certification as appropriate for line items totaling $3,000 or greater.

2. For solicitations greater than $25,000, either (1) supplier's on-line representations and certifications information downloaded from ORCA and the Pre-Award Information, form PD-158; or (2) form ANL-70A, *Representations and Certifications,* is required.

c. For purchases of commercial supplies or services which REQUIRE the delivery of technical data, or are estimated $100,000 or greater, either (1) supplier's on-line representations and certifications information downloaded from ORCA and the Pre-Award Information, form PD-159; or (2) form ANL-70B, *Pre-Award Information,* with attached Booklet of Representations and Certifications, is required.

d. For purchases requiring machining or processing of beryllium at any dollar value, either (1) the supplier's appropriate form ANL-70A or ANL-70B, or (2) representations and certifications from the ORCA website and the form entitled Pre-Award Information, PD-158, or Pre-Award Information, PD-159, is required for the contractor's certification.

e. Whenever ANL-70A or ANL-70B, Representations and Certifications, are required, electronic Representations and Certifications may be substituted therefore, provided the contractor is registered with the ORCA website (http://orca.bpn.gov/publicsearch.aspx). The contractor's DUNS Number is required to utilize the site. Whenever representations and certifications from the ORCA website are utilized, the form entitled Pre-Award Information, PD-158, or Pre-Award Information, PD-159, must be used as appropriate. If a contractor is not registered with ORCA, ANL-70A or ANL-70B must be used as otherwise required.

4.2.6 SOLICITATION CLOSING DATE

(a) The amount of time allotted for the submittal of offers should be commensurate with the complexity of the requirement, as determined by the buyer/contract specialist; and

(b) Offerors shall be instructed that all offers shall be submitted in order to be received at the designated Laboratory office by the specified date and time in the solicitation.

EXHIBIT 4.2-A APPENDIX D-08-C

Intellectual Property Provisions

Supply and Commercial Services Contract
Requiring Delivery of Data

ARTICLE

I. Rights in Data - General (June 1987)

II. Additional Data Requirements

EXHIBIT 4.2-A (CONTINUED)

I. RIGHTS IN DATA - GENERAL (JUNE 1987)

(a) Definitions.

"Computer software," as used in this clause, means computer programs, computer data bases, and documentation thereof.

"Data," as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

"Form, fit, and function data," as used in this clause, means data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability, as well as data identifying source, size, configuration, mating, and attachment characteristics, functional characteristics, and performance requirements; except that for computer software it means data identifying source, functional characteristics, and performance requirements but specifically excludes the source code, algorithm, process, formula, and flow charts of the software.

"Limited rights data," as used in this clause, means data (other than computer software) developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged.

"Technical data," as used in this clause, means data (other than computer software) which are of a scientific or technical nature.

"Restricted computer software," as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software; including minor modifications of such computer software.

"Unlimited rights," as used in this clause, means the right of the Government and the Laboratory to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

EXHIBIT 4.2-A (CONTINUED)

"Limited rights," as used in this clause, means the rights of the Government and the Laboratory in limited rights data as set forth in the Limited Rights Notice of subparagraph (g)(2) if included in this clause.

"Restricted rights," as used In this clause, means the rights of the Government and the Laboratory in restricted computer software, as set forth In a Restricted Rights Notice of subparagraph (g)(3) if included In this clause, or as otherwise may be provided in a collateral agreement incorporated in and made part of this contract, including minor modifications of such computer software.

(b) Allocations of rights.

(1) Except as provided in paragraph (c) below regarding copyright, the Government and the Laboratory shall have unlimited rights in-

(i) Data first produced in the performance of this contract;

(ii) Form, fit, and function data delivered under this contract;

(iii) Data delivered under this contract (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair items, components, or processes delivered or furnished for use under this contract; and

(iv) All other data delivered under this contract unless provided otherwise for limited rights data or restricted computer software in accordance with paragraph (g) below.

(2) The Contractor shall have the right to-

(i) Use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Contractor in the performance of the contract, unless provided otherwise in paragraph (d) below;

(ii) Protect from unauthorized disclosure and use those data which are limited rights data or restricted computer software to the extent provided in paragraph (g) below;

EXHIBIT 4.2-A (CONTINUED)

(iii) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices and to take other appropriate action, in accordance with paragraphs (e) and (f) below; and

(iv) Establish claim to copyright subsisting In data first produced In the performance of this contract to the extent provided in subparagraph (c)(1) below.

(c) Copyright.

(1) *Data first produced in the performance of this contract.* Unless provided otherwise in subparagraph (d) below, the Contractor may establish, without prior approval of the DOE, claim to copyright subsisting in scientific and technical articles based on or containing data first produced in the performance of this contract and published in academic, technical or professional journals, symposia proceedings or similar works. The prior, express written permission of the DOE (with notice to the Laboratory) is required to establish claim to copyright subsisting in all other data first produced in the performance of this contract. When claim to copyright is made, the Contractor shall affix the applicable copyright notices of 17 USC 401 or 402 and acknowledgment of Government sponsorship (including contract number) to the data when such data are delivered to the Laboratory and the Government, as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. For data other than computer software the Contractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government. For computer software, the Contractor grants to the Government and others acting on its behalf, a paid-up nonexclusive, irrevocable worldwide license in such copyrighted computer software to reproduce, prepare derivative works, and perform publicly and display publicly by or on behalf of the Government.

(2) *Data not first produced in the performance of this contract.* The Contractor shall not, without prior written permission of the DOE via the Laboratory, incorporate in data delivered under this contract any data not first produced in the performance of this contract and which contains the copyright notice of 17 USC 401 and 402, unless the Contractor identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in subparagraph (1) above; provided, however, that if such data are computer software the Government shall

EXHIBIT 4.2-A (CONTINUED)

acquire a copyright license as set forth in subparagraph (g)(3) below if included in this contract or as otherwise may be provided in a collateral agreement incorporated in or made part of this contract.

(3) *Removal of copyright notices.* The Laboratory and the Government agree not to remove any copyright notices placed on data pursuant to this paragraph (c), and to include such notices on all reproductions of the data.

(d) Release, publication and use of data.

(1) The Contractor shall have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Contractor in the performance of this contract, except to the extent such data may be subject to the federal export control or national security laws or regulations, or unless otherwise provided below in this paragraph or expressly set forth in this contract.

(2) The Contractor agrees that to the extent it receives or is given access to data necessary for the performance of this contract which contain restrictive markings, the Contractor shall treat the data In accordance with such markings unless otherwise specifically authorized in writing by the DOE (with notice to the Laboratory).

(3) The Contractor agrees not to establish claim to copyright in computer software first produced in the performance of this contract without prior written permission of the DOE (with notice to the Laboratory). When such permission is granted, the DOE shall specify appropriate terms to assure dissemination of the software. The Contractor shall promptly deliver to the DOE or to the Patent Counsel designated by the DOE a duly executed and approved instrument fully confirmatory of all rights to which the Government is entitled, and other terms pertaining to the computer software to which claim to copyright is made.

(e) Unauthorized marking of data.

(1) Notwithstanding any other provisions of this contract concerning inspection or acceptance, if any data delivered under this contract are marked with the notices specified in subparagraphs (g)(2) or (g)(3) below and use of such is not authorized by this clause, or if such data bears any other restrictive or limiting markings not authorized by this contract, the DOE or the Laboratory, with the approval of DOE, may at any time either return the data to the Contractor, or cancel or ignore the

EXHIBIT 4.2-A (CONTINUED)

markings. However, the following procedures shall apply prior to canceling or ignoring the markings.

(i) The DOE or the Laboratory, with the approval of DOE, shall make written inquiry to the Contractor affording the Contractor 30 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;

(ii) If the Contractor fails to respond or fails to provide written justification to substantiate the propriety of the markings within the 30-day period (or a longer time not exceeding 90 days approved in writing by the DOE for good cause shown), the Government shall have the right, and may direct the Laboratory, to cancel or to ignore the markings at any time after said period and the data will not longer be made subject to any disclosure prohibitions.

(iii) If the Contractor provides written justification to substantiate the propriety of the markings within the period set in subdivision (i) above, the Government shall consider such written justification and determine, whether or not the markings are to be canceled or ignored. If the Government determines that the markings are authorized, the Contractor shall be so notified in writing. If DOE determines that the markings are not authorized, the DOE shall furnish the Contractor a written determination, which determination shall become the final agency decision regarding the appropriateness of the markings unless the Contractor files suit in a court of competent jurisdiction within 90 days of receipt of the DOE's decision. The Government and the Laboratory shall continue to abide by the markings under this subdivision (iii) until final resolution of the matter either by the DOE's determination becoming final (in which instance the Government or the Laboratory with DOE approval shall thereafter have the right to cancel or ignore the markings at any time and the data will no longer be made subject to any disclosure prohibitions), or by final disposition of the matter by court decision if suit is filed.

(2) The time limits in the procedures set forth in subparagraph (1) above may be modified in accordance with agency regulations implementing the freedom of Information Act (5 USC 552) if necessary to respond to a request thereunder.

(3) This paragraph (e) does not apply if this contract is for a major system or for support of a major system by a civilian agency other than NASA and the U.S. Coast Guard

EXHIBIT 4.2-A (CONTINUED)

subject to the provisions of Title III of the federal Property and Administrative Services Act of 1949.

(4) Except to the extent the Government's action occurs as the result of final disposition of the matter by a court of competent jurisdiction, the Contractor is not precluded by this paragraph (e) from bringing a claim under the Contract Disputes Act, including pursuant to the Disputes clause of this contract, if any, as applicable, that may arise as the result of the Government removing or ignoring authorized markings on data delivered under this contract.

(f) Omitted or incorrect markings.

(1) Data delivered to the Laboratory or the Government without either the limited rights or restricted rights notice as authorized by paragraph (g) below, or the copyright notice required by paragraph (c) above, shall be deemed to have been furnished with unlimited rights, and the Government and the Laboratory assume no liability for disclosure, use, or reproduction of such data. However, to the extent the delivered data has not been further disclosed without restriction outside the Government, the Contractor may request, within 6 months (or a longer time approved by the Government for good cause shown) after delivery of such data, permission to have notices placed on qualifying data at the Contractor's expense, and the Government or the Laboratory with DOE approval may agree to do so if the Contractor-

(i) Identifies the data to which the omitted notice is to be applied;

(ii) Demonstrates that the omission of the notice was inadvertent;

(iii) Establishes that the use of the proposed notice is authorized; and

(iv) Acknowledges that the Government and the Laboratory have no liability with respect to the disclosure, use, or reproduction of any such data made prior to the addition of the notice or resulting from the omission of the notice.

(2) The Government (with notice to the Laboratory) may also (i) permit correction at the Contractor's expense of incorrect notices if the Contractor identifies the data on which correction of the notice is to be made, and demonstrates that the correct notice is authorized, or (ii) correct any incorrect notices.

(g) Protection of limited rights data and restricted computer software.

EXHIBIT 4.2-A (CONTINUED)

(1) When data other than that listed in subparagraphs (b)(1)(i), (ii), and (iii) above are specified to be delivered under this contract and qualify as either limited rights data or restricted computer software, if the Contractor desires to continue protection of such data, the Contractor shall withhold such data and not furnish them to the Laboratory or the Government under this Contract. As a condition to this withholding, the Contractor shall Identify the data being withheld furnish form, fit, and function data in lieu thereof. Limited rights data are formatted as a computer data base for delivery to the Laboratory or the Government is to be treated as limited rights data and not restricted computer software.

(2) (Reserved.)

(3) (Reserved.)

(h) *Subcontracting.* Contractor has the responsibility to obtain from its Subcontractors all data and rights therein necessary to fulfill the Contractor's obligations to the Government and the Laboratory under this contract. If a Subcontractor refuses to accept terms affording the Government such rights, the Contractor shall promptly bring such refusal to the attention of the Government via the Laboratory and not proceed with subcontract award without further authorization from DOE via the Laboratory.

(i) *Relationship to patents.* Nothing contained in this clause shall imply a license to the Government or the Laboratory under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government or the Laboratory.

(j) The Contractor agrees, except as may be otherwise specified in this contract for specific data items listed as not subject to this paragraph that the DOE and the Laboratory or an authorized representative may, up to three years after acceptance of all items to be delivered under this contract, inspect at the Contractor's facility any data withheld pursuant to paragraph (g)(1) above, for purposes of verifying the Contractor's assertion pertaining to the rights or restricted rights status of the data or for evaluating work performance. Where the Contractor whose data are to be inspected demonstrates to the DOE or the Laboratory that there would be a possible conflict of in interest if the inspection were made by a particular representative, the DOE or the Laboratory shall designate an alternate inspector.

EXHIBIT 4.2-A (CONTINUED)

II. ADDITIONAL DATA REQUIREMENTS

Note: This clause does not apply to this contract if the contract is for the conduct of basic or applied research, as set out elsewhere in this contract, to be performed solely by a college or university, and the estimated cost is not in excess of $500,000.

(a) In addition to the data (as defined in the clause at 52.227-14, Rights in Data-General clause or other equivalent included in this contract) specified elsewhere in this contract to be delivered, the Laboratory or the DOE may, at any time during contract performance or within a period of 3 years after acceptance of all items to be delivered under this contract, order any data first produced or specifically used in the performance of this contract.

(b) The Rights in Data-General clause or other equivalent included in this contract is applicable to all data ordered under this Additional Data Requirements clause. Nothing contained in this clause shall require the Contractor to deliver any data the withholding of which is authorized by the Rights in Data-General or other equivalent clause of this contract, or data which are specifically identified in this contract as not subject to this clause.

(c) When data are to be delivered under this clause, the Contractor will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.

(d) The DOE via the Laboratory may release the Contractor from the requirements of this clause for specifically identified data items at any time during the 3-year period set forth in (a) of this clause.

4.3 SOLICITATION GUIDELINES

4.3.1 AMENDMENTS TO THE SOLICITATION

a. In the event it becomes necessary to issue an amendment to a solicitation due to changes in quantities, specifications, delivery requirements, closing dates, etc., the amendment must be issued to all prospective offerors if the closing date for receipt of offers has not arrived.

b. In the event it becomes necessary re-establish a response period to a solicitation after the initial closing date has arrived, it is not necessary to include offerors who have previously indicated a "no bid/offer" response to the initial solicitation, or those offerors who failed to respond to the initial solicitation, *unless the buyer/contract specialist has knowledge that the change would have resulted in an offer from any particular source had it been incorporated before the initial closing date.*

4.3.2 ADDITIONAL BIDDERS

The determination to include an additional supplier in a solicitation is made by the buyer/contract specialist. Normally, solicitations issued only to blanket suppliers will not be released to other potential suppliers.

4.3.3 CANCELLATION OF SOLICITATION

When the Laboratory determines a solicitation is to be canceled, all suppliers should be notified as soon as possible.

4.3.4 MODIFICATIONS/WITHDRAWAL

Quotations/proposals/bids may be modified or withdrawn by written notice from the offeror provided the Laboratory receives such notification before the date set for receipt of quotations/proposals/bids.

4.3.5 LATE QUOTATIONS/PROPOSALS/BIDS

Quotations/proposals/bids, including their withdrawal or modification, received by the Laboratory after the closing/opening date shall be considered late. Except as otherwise specifically

provided in the solicitation, the Laboratory may consider for award such late quotations or proposals if it is in the best interests of the Laboratory. All IFBs, where bids are sealed, then publicly opened, shall contain a "Late Bids" clause.

4.4 EVALUATION AND AWARD GUIDELINES

4.4.1 PROCUREMENT REVIEW

All quotations or proposals received are reviewed for completeness and conformity with the solicitation. Only responsive, responsible suppliers are considered for award. Suppliers on the list of firms debarred or suspended from doing business with the federal government are considered for award of procurements only with the prior written approval of the Argonne Procurement manager and in excess of $30,000 unless prior written notice is given to DOE. The notice must provide:

a. The name of the subcontractor;

b. The Laboratory's knowledge of the reasons for the subcontractor being on the List of Parties Excluded from Federal Procurement and Non-procurement Programs;

c. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion on the List of Parties Excluded from Federal Procurement and Non-procurement Programs; and

d. The systems and procedures the Laboratory has established to ensure that it is fully protecting the government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

4.4.2 TECHNICAL REVIEW

a. Supplier responses to Request for Quotations (RFQs) do not normally require a technical review unless it cannot be ascertained that the quotation is responsive to the solicitation, i.e., equivalent products with technical specifications.

b. Quotations or proposals received in response to best value solicitations or deemed by a Procurement manager to be a significant procurement require review of the technical requirements included in the quotation or proposal in accordance with the solicitation's evaluation criteria by the requesting division's technical representative or Technical Evaluation Team (TET).

c. Each technical representative or technical evaluation team member must execute confidentiality and conflict of interest agreements in order to receive quotations or proposals for evaluation or review.

4.4.3 DETERMINATION OF PRICE REASONABLENESS

a. For awards to Government Supply Sources, regardless of value, additional determinations of fair and reasonableness are not necessary;

b. For awards of $3,000 or less, the administrative cost of verifying the price reasonableness may more than offset the potential savings from detecting instances of overpricing. The buyer/contract specialist determines price reasonableness on each action prior to award placement. File documentation or additional pricing action to verify price reasonableness should be accomplished when the buyer/contract specialist has reason to suspect that the price may not be reasonable, or when purchasing an item for which no comparable pricing is readily available;

c. For awards in excess of $3,000, documentation must be included in the procurement file documenting the basis for the determination of a fair and reasonable price;

d. For non-competitive awards in excess of $100,000 and all other actions over $250,000, not to a Government Supply Source, a cost price analyst's report is normally included in the procurement file supporting the basis for the determination of a fair and reasonable price;

e. Price analysis is the preferred method for determining price reasonableness for commercial supplies and services; and

f. Cost analysis is not applicable to commercial supplies and services;

4.4.4 AWARD DOCUMENTS

a. For award actions of $100,000 or less, entered into the automated reporting system, written purchase orders or contracts are not required unless requested by the supplier and;

b. For award actions processed with special terms and conditions such as safety, form ANL-366 High, Medium or Low Risk series*, Work by Contractors on the Argonne Site - Supplemental Conditions* or containing Appendix D-08-C, *Intellectual Property Provisions Supply and Commercial Services Contract Requiring Delivery of Data*, or for all award actions in excess of $100,000, a written purchase order or contract is required.

4.4.5 FILE DOCUMENTATION

a. For actions $25,000 or less, all pertinent file documentation will be retained in chronological order. The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

b. In order to facilitate review and approval, all award actions in excess of $25,000 shall include the following: (Include all that apply). The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

- Purchase Order
- Purchase Order Attachments
- Procurement Summary
- ANL Form PD-1, Checklist Procurement Documentation and Clearance
- ANL Form PD-2, Request for Approval of Subcontract or Purchase Order Action
- Legal Review
- Purchase Requisition
- Procurement Justification
- Technical Evaluation
- Abstract of Offerors
- Successful Bidder
- Representations and Certifications
- Unsuccessful Bidders
- No Bids
- Solicitations with attachments and modifications

- Miscellaneous documentation

4.4.6 APPROVALS

a. For all award actions, determine approvals required by consulting appropriate guidelines prior to execution;

b. Route procurement file for approvals. Approvals may be written or electronic in accordance with applicable procedures. Upon receipt of all required approvals, make award.

4.4.7 DISTRIBUTION OF AWARD DOCUMENTS

Purchase order or contracts and all required attachments shall be distributed by either electronic transmission or hard copy to all affected parties, including at a minimum:

a. Supplier (unless oral award);

b. Requesting division/organization;

c. Accounts Payable;

d. Receiving;

e. Property.

4.4.8 DEBRIEFING

When a contract is awarded on a basis other than price alone, unsuccessful suppliers, upon their request, shall be provided meaningful comments specifically related to the weaknesses (and strengths) of their proposal as noted by the technical evaluator(s). Information relative to the technical standing of competitors may be provided, but the individual merits of a competitor's proposals are not divulged.

4.5 ADMINISTRATION GUIDELINES

1. Procurements covering commercial supplies and services are fixed-price agreements which require minimal administration after award, other than follow-up to ensure timely delivery and completion. Purchase order administration is the responsibility of the cognizant buyer/contract specialist.

2. A Notice to Proceed issued by Procurement, or designee, approved by the Procurement Manager and identified in the contract, is required for all high-risk on-site work. Prior to notice to proceed for on-site high-risk work, the buyer/contract specialist (or designee) will ensure that the following documents, as applicable, have been received and approved by the Laboratory:

   a. Certificate of Insurance; and

   b. High Risk Job Safety Analysis, ANL-209H cover page signed by the Technical Representative, ESH Coordinator, and Facilities Management and Services (FMS) Construction Safety.

3. The Technical Representative gives the contractor approval to proceed for moderate risk on-site work after all applicable ESH requirements have been reviewed and approved by the Technical Representative and the Divisional ESH Coordinator. Delivery of certificates of insurance as proof of required insurance is not required for moderate risk on-site work.

4. The Technical Representative gives the contractor approval to proceed for low risk on-site work after all applicable ESH requirements have been reviewed and approved by the Technical Representative with the support of the Divisional ESH Coordinator. Delivery of certificates of insurance as proof of required insurance is not required for low risk on-site work.

5. Buyer/Contract Specialist prepares any changes or modifications to the award document as is required and authorized.

6. Options are exercised as appropriate;

7. Payments are administered in accordance with the terms of the agreement;

8. Terminations and or cancellations are handled in accordance with the *Argonne Specific Requirements*, Chapter 9.

9. Expediting is handled on an exception basis, at the request of a requisitioner.

4.6 CLOSEOUT GUIDELINES

1. A purchase order is complete when the supplier has completed the required delivery of supplies or services, the Laboratory has inspected and accepted such supplies or services, and the Contractor has been paid.

2. A contract is complete:

   a. When the supplier has completed the required delivery of supplies or services, the Laboratory has inspected and accepted such supplies or services, and the Contractor has been paid;

   b. In the case of orders/contracts with option provisions, when the time frame to exercise any option period has expired;

   c. In the case of orders/contracts involving government-furnished or acquired government-owned property, when all inventories and reconciliations are completed; and

   d. In the case of contracts, when the contractor provides the Property Release Form for the closeout process.

3. Purchase orders issued through the PARIS system are typically closed out when final payment is made.

4. Document retention should be as follows:

   a. Procurement records for awards valued at $5,000 or less shall be retained for ninety (90) days;

   b. Procurement records for awards valued in excess of $5,000 but less than $100,000 shall be retained for three (3) years; and

   c. Procurement records for awards valued in excess of $100,000 shall be retained for six (6) years and three (3) months.

5.1 INTRODUCTION

5.1.1 PURPOSE

To establish the procurement processes and guidelines to be used by the Procurement Department for the acquisition of non-commercial supplies and services.

5.1.2 SCOPE

This guideline applies to the purchase of non-commercial supplies and services, specifically excluding **construction** and **architect-engineering** requirements. Non-commercial supplies and services may include the following types of acquisitions:

- Research and development contracts of any type, including fixed price;
- Services procured on an hourly basis other than those acquired with competitive solicitations whose prices/rates are based upon catalog or market prices/rates as set forth in Chapter 4; and
- Cost-reimbursement contract types.

5.2 PRE-SOLICITATION PREPARATION GUIDELINES

5.2.1 ASSESSING REQUESTS

Using *Pre-Solicitation Guidelines* (see Chapter 3, *Fundamental Procurement Process*), the buyer/contract specialist assesses the requisitioner's package and the procurement specific topics that may be applicable to the acquisition.

5.2.2 SOLICITING COMPETITION

a. For requirements estimated to be $25,000 or less, identification of a single source is sufficient. At the discretion of the buyer/contract specialist additional sources known to be capable and reliable may be identified and solicited.

b. For requisitions in excess of $25,000, solicitation of two or more sources that are reasonably expected to be able to provide independently priced offers is sufficient, unless the requirement is exempt from competition requirements by one or more of the following:

    1. Justification for Non-Competitive Procurement, approved by the Procurement Department;

    2. Utility service available from only one source;

    3. Educational service from non-profit institution;

    4. Supply or Service available from Government Supply Sources, including other government-owned contractor-operated laboratories, DOE directed procurements, awards made under the Small Business Administration 8(a) Program valued at less than $3 million ($5 million for construction), or in accordance with the current Argonne Small Business Subcontracting Plan; or

    5. Follow-on awards to existing purchase orders, contracts or agreements covering:

        a. incremental funding actions;

        b. exercising pre-priced options identified and priced in the original agreement;

        c. change within the general scope of the contract as determined by Procurement personnel; or

d. awards issued against blanket agreements where the blanket agreement was competitively evaluated.

5.2.3 SOLICITATION METHOD

a. For solicitations of $100,000 or less where award is expected to be based upon price alone, either oral or written requests for quotations (RFQ) or requests for proposals (RFP) are used;

b. For requirements in excess of $100,000, written solicitations are used; and

c. For solicitations where an award is based upon Best Value selection criteria, written RFP are used.

5.2.4 SOLICITATION TERMS AND CONDITIONS

a. Written solicitations for non-commercial supplies or services shall include Argonne terms and conditions consistent with the proposed contract type selected.

b. When soliciting quotations or proposals from foreign firms or from U.S. firms providing foreign made end products or services for work performed outside the United States, clauses not applicable to foreign procurement should be deleted as appropriate (see Chapter 9, *Argonne Specific Requirements*).

c. Appropriate Intellectual Property Provisions are to be included.

d. As applicable, include *Instructions For High, Moderate or Low Risk Service Contractor*, PD-107 or PD-109 or PD-110 and ANL-366H, ANL-366M, or ANL-366L, *High, Moderate or Low Risk Work by Contractors on the Argonne Site - Supplemental Conditions*, and other appropriate Argonne terms and conditions for work to be performed on-site as prescribed in Chapter 9.2.9, *Contracts for Services*, Section 9.2.9.2.

e. Include *Appendix C, Travel Policy for Contractor Personnel*, as needed on cost-type contracts or fixed-price contracts where travel costs are paid on a cost-incurred basis.

f. Include other terms and conditions or provisions as needed.

5.2.5 SOLICITATION REPRESENTATIONS AND CERTIFICATIONS

a. For purchases of non-commercial supplies or services from the following organizations, Representations and Certifications are NOT required:

   1. Other DOE prime contractors (when operating under their DOE Prime Contract);

   2. Awards made under *Memorandum Purchase Orders*;

   3. Awards made to Government Supply Sources; or

   4. Awards to the University of Chicago Campus Computer Stores.

b. For purchases of non-commercial supplies or services NOT requiring the delivery of technical data:

   1. For all actions $25,000 or less, the buyer/contract specialist shall obtain written or oral verification of the supplier's size, socioeconomic status (EEO compliance if over $10,000) and determine if a foreign made end-product is being offered; or

   2. For solicitations greater than $25,000, and less than $100,000, either (1) supplier's on-line representations and certifications information downloaded from ORCA and the Pre-Award Information, form PD-158; or (2) form ANL-70A, *Representations and Certifications,* is required.

c. For purchases of non-commercial supplies or services that REQUIRE the delivery of technical data, or are estimated $100,000 or greater, either (1) supplier's on-line representations and certifications information downloaded from ORCA and the Pre-Award Information, form PD-159; or (2) form ANL-70B, *Pre-Award Information,* with attached Booklet of Representations and Certifications, is required.

d. For purchases requiring machining or processing of beryllium at any dollar value, the appropriate form ANL-70A or ANL-70B is required for the contractor's certification.

e. Whenever ANL-70A or ANL-70B, Representations and Certifications, are required, electronic Representations and Certifications may be substituted therefore, provided the contractor is registered with the ORCA website (http://orca.bpn.gov/publicsearch.aspx). The contractor's DUNS Number is required to utilize the site. Whenever representations and certifications from the ORCA website are utilized, the form entitled Pre-Award Information, PD-158, or Pre-Award Information, PD-159, must be used as appropriate. If

a contractor is not registered with ORCA, ANL-70A or ANL-70B must be used as otherwise required.

f. Facility Clearance representations are required when the contract involves any of the following:

   1. Classified work.

   2. Access to classified information.

   3. Access to a significant amount of special nuclear material as defined in 10 CFR Part 710.

   4. The issuance of access authorizations.

g. Organizational Conflicts of Interest Representation/Certification or Disclosure is required when the SOW requires advisory and assistance services as defined in FAR 37.201 and Section 8.10, Organizational Conflicts of Interest, Step 3.e.

h. Certification of Current Cost or Pricing Data is required for non-commercial actions expected to be $700,000 or more when an award is noncompetitive, unless one of the exemptions in Chapter 9, Argonne Specific Requirements, applies.

i. Certification of Cost Accounting Standards is required for awards to other than small businesses expected to be in excess of $550,000, unless otherwise exempt (see Chapter 9, Argonne Specific Requirements).

5.2.6 SOLICITATION CLOSING DATE

a. The amount of time allotted for the submittal of offers should be commensurate with the complexity of the requirement, as determined by the buyer/contract specialist; and

b. As needed, prepare a *Solicitation Milestone Plan* (see Chapter 3).

5.3 SOLICITATION GUIDELINES

5.3.1 SOLICITATION CONTENTS

All written solicitations shall contain:

a. Clear identification of the supplies/services sought.

b. Representations and Certifications.

c. An example of the planned contract/purchase order.

d. All required terms, conditions, and other provisions.

e. The evaluation and selection criteria and a clear basis for award.

f. Instructions addressing all appropriate elements of the submission requirements.

5.3.2 AMENDMENTS TO THE SOLICITATION

a. In the event it becomes necessary to issue an amendment to a solicitation due to changes in quantities, specifications, delivery requirements, closing dates, etc., the amendment must be issued to all prospective offerors if the closing date for receipt of offerors has not arrived.

b. In the event it becomes necessary to re-establish a response period to a solicitation after the initial closing date has arrived due to changes in quantities, specifications, delivery requirements, etc., it is not necessary to include offerors who previously indicated a "no bid/offer" response to the initial solicitation, or those offerors failed to respond to the initial solicitation, *unless the buyer/contract specialist has knowledge that the change would have resulted in an offer from any particular source had it been incorporated before the initial closing date*.

5.3.3 ADDITIONAL SUPPLIERS/OFFERORS

The determination to include an additional supplier in a solicitation is made by the buyer/contract specialist. Normally, solicitations issued only to blanket suppliers will not be released to other potential suppliers.

5.3.4 CANCELLATION OF A SOLICITATION

When a situation arises that requires a solicitation to be canceled, all suppliers should be notified as soon as possible.

5.3.5 MODIFICATIONS/WITHDRAWAL

Quotations/proposals/bids may be modified or withdrawn by written notice from the offeror provided the Laboratory receives such notification before the date set for receipt of quotations/proposals/bids.

5.3.6 LATE QUOTATIONS/PROPOSALS/BIDS

Quotations/proposals/bids, including their withdrawal or modification, received by the Laboratory after the closing date shall be considered late. Except as otherwise specifically provided in the solicitation, the Laboratory may consider for award such late quotations or proposals if it is in the best interests of the Laboratory. All IFBs, where bids are sealed, then publicly opened, shall contain a "Late Bids" clause.

5.4 EVALUATION AND AWARD GUIDELINES

5.4.1 PROCUREMENT REVIEW

All quotations or proposals received are reviewed by the buyer/contract specialist for completeness and conformity with the solicitation. Only responsive, responsible suppliers are considered for award. Suppliers included on the lists of firms debarred or suspended from doing business with the federal government may be considered for award only with prior written approval of the Argonne Procurement Manager, and for those awards in excess of $30,000, prior written notice must be given to DOE.

5.4.2 TECHNICAL REVIEW

a. When a single response is received to a solicitation, a review of the technical evaluation factors (and cost/price information) by the requesting division's technical representative is normally accomplished. This review may be accomplished by use of *Proposal Evaluation Required in Support of Negotiated Contract Awards* (see Chapter 3).

b. When multiple proposals are received, a review of the technical evaluation factors by the requesting division's technical representative or technical evaluation team (TET) is normally required. This review must be accomplished in accordance with the award criteria included in the solicitation (*Basic Source Selection Guidelines*) (see Chapter 3).

5.4.3 DETERMINATION OF PRICE REASONABLENESS

a. The buyer/contract specialist must make a determination of price reasonableness on each action prior to placement.

b. For awards of $3,000 or less, the administrative cost of extensive price analysis and its documentation may more than offset the potential savings from detecting every minute instance of overpricing.

c. File documentation to substantiate price reasonableness in accordance with one or more of the techniques shown in Exhibit 9.3-A shall be accomplished and included in the Procurement Summary Memo.

d. Regardless of dollar value, the buyer/contract specialist may request the assistance of the staff cost/price analyst.

e. A review by the staff cost/price analyst must be obtained on all non-competitive actions valued at $100,000 or greater, and all other actions in excess of $250,000.

5.4.4 OTHER EVALUATION FACTORS

a. On an as needed basis, the buyer/contract specialist may evaluate business information provided by an offeror, i.e., call references to confirm past performance claims, and otherwise establish responsibility.

b. Exceptions and/or deviations requested by the suppliers(s) are evaluated. Legal review is required for all deviations to standard terms and conditions. Additional assistance from the Legal Department may be requested at the discretion of the buyer/contract specialist.

c. On an as needed basis, pre-award audits or surveys (e.g., vendor capability surveys, EEOC clearance reviews, pre-award compliance audits, drug-free workplace) commensurate with the dollar value and criticality of the requirement are requested.

d. For those actions subject to OCI, determination(s) are obtained as appropriate.

e. For those actions subject to Facility Clearance, determination(s) are obtained as appropriate.

f. Acceptable small business subcontracting plans are obtained prior to award of any contract, as required (see Chapter 8).

5.4.5 NEGOTIATION

a. Using information gathered from the technical evaluation, cost/price review, and other sources, the buyer/contract specialist, with assistance as needed from staff professionals, may undertake negotiations to reach agreement on performance measurements, SOW, cost/price, and/or modifications to standard terms and conditions or other provisions as appropriate. Procurement personnel enter into negotiations after initial evaluations of responses to a solicitation after establishment of a competitive range.

b. Once a selection is made, further negotiations may be conducted with the selected supplier to definitize a final agreement on price, terms, conditions, etc. (factors that could have had any effect on the selection process may not be changed at this point in time).

c. Negotiations shall be reduced to writing.

5.4.6 AWARD DOCUMENTS

All non-commercial procurement actions will be reduced to writing. Sample contracts are referenced in Chapter 10, *Appendices, Clauses, Standard Contract Formats and List of Forms. The name and telephone number of the Technical Representative will normally be specified in the award document*. The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

5.4.7 FILE DOCUMENTATION

In order to facilitate review and approval of **purchase orders** and **subcontracts**, file documentation shall be typically assembled in accordance with the directions **in Exhibits 5.4-A and 5.4-B,** *File Documentation*.

5.4.8 APPROVALS

a. For all award actions, determine approvals required by consulting appropriate guidelines prior to execution.

b. Route procurement file for approvals. Approvals may be written or electronic in accordance with applicable procedures. Upon receipt of all required approvals, notify the successful supplier(s) by issuance of a properly executed purchase order, contract, or agreement.

5.4.9 DISTRIBUTION OF AWARD DOCUMENTS

Executed award documents and required attachments shall be distributed by either electronic transmission or hard copy to all affected parties, including:

a. Successful suppliers

b. Requesting division/organization

c. Accounts Payable

d. Property (on an as-needed basis)

e. DOE patents (on an as-needed basis)

f. Security (on an as-needed basis)

5.4.10 NOTIFICATION OF UNSUCCESSFUL SUPPLIERS

Unsuccessful suppliers are normally given oral or written notification on awards in excess of $100,000.

5.4.11 DEBRIEFING

When a contract is awarded on a basis other than price alone, unsuccessful suppliers, upon their request, shall be provided meaningful comments specifically related to the weaknesses (and strengths) of their proposal as noted by the technical evaluator(s). The individual merits of a competitor's proposals are not divulged.

(NOTE: Debriefing may be conducted only by Procurement personnel).

EXHIBIT 5.4-A FILE DOCUMENTATION

In order to facilitate review and approval, all award actions shall include the following: (Include all that apply). The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

- Purchase Order
- Purchase Order attachments
- Form PD-1, Checklist Procurement Documentation and Clearance
- Form PD-2, Request for Approval of Subcontract or Purchase Order Action
- Legal Review
- Purchase Requisition
- Procurement Summary
- Procurement Justification
- Technical Evaluation
- Abstract of Offerors
- Successful Bidder
- Representations and Certifications
- Unsuccessful bidders
- No bids
- Solicitations with attachments and modifications
- Miscellaneous documentation

EXHIBIT 5.4-B SUBCONTRACT FILE DIRECTORY

PARIS STANDARD FILE ORGANIZATION

I. Procurement Package Main Level

A. Solicitation Folder (System Folder, see Section II)

B. Negotiation Folder (System Folder, see Section III)

C. Award Folder (System Folder, see Section IV)

D. Requisition/Point PR Folder:

A Point PR is required when the Requestor revises specifications, or does not include system documents, or routing approvals for a sole source justification (ANL-410), Retroactive Approval, Davis Bacon Wage Determination, etc.

II. Solicitation Folder Documentation and Sub-folders

A. Solicitation Documents:

- RFQ/RFP
- SOW
- Drawings
- Any other solicitation external documents

Sub-folders (Negotiation/Miscellaneous) can be created to store related correspondence; i.e., Fed-Ex receipts and/or RFP/RFQ/IFB acknowledgements.

B. Amendment Folder, (if required):

- Actual Amendment to the solicitation

Sub-folder (Negotiation/Miscellaneous/Correspondence) shall be created to store related correspondence; i.e., Fed-ex receipts and/or RFP/RFQ/IFB acknowledgements (see Additional Sub-folders, Section V).

C. Pre-Solicitation Review/Documents Folder, (if required):

Create a Negotiation Folder and rename it "Pre-Solicitation Review/Documents."

- Justification for Non-competitive Procurement Approval (ANL-410)
- Solicitation Milestone Approval
- Advance Procurement Plan Approval
- Notice of Intent to Make a Service Contract
- Response to Notice of Intention to Make a Service Contract.

III. Negotiation Folder Documentation and Sub-folder

A. For a complex Procurement, a series of folders will be created to file required documentation. From within the Negotiation Folder, select *"Create Folder/Pre-Award Documents."*

1. Pre-Award Reviews/Documents Sub-folder:

- Checklist, Procurement Documentation, and Clearance (PD-1)
- Procurement Summary or Proposal Evaluation
- Cost Savings/Avoidance Report
- Debarred Bidder's search results
- Pro-Net search results
- Cost Price Evaluation comments
- Market survey information
- Davis Bacon Determination
- Personal Services Questionnaire Documents (Approved by Act)
- Request for Small Business Subcontract Waiver & Approval
- Request for Approval of Subcontract or Purchase Order Action (PD-2)
- OCI Determination
- FOCI Determination

2. Tech Review Sub-folder
    - Technical Review Proposal Evaluation
    - Source Selection
    - Conflict of Interest Statements
    - Confidentiality Statements
3. Legal Review Sub-folder (Pre-Award):
    - Create the ANL-475 in a Correspondence Folder
    - Export any other appropriate documentation
    - Route to Legal for review
    - Retain Legal comments and other related correspondence in the folder
4. Successful Bidder Sub-folder:
    - PD-9
    - Successful Bid and accompanying documentation
    - Reps and Certification
    - Published Price List
    - Certificate of Cost/Price
    - Certificate of Commercial Pricing
    - Indirect Rate Agreement
    - Completed Bid Bond
    - Any additional information related to clarification or negotiations
    - Best and final offer
5. Unsuccessful Bidder Sub-folder
    - All Unsuccessful Bids

- Reps and Certification
- All Supporting Documentation

Each unsuccessful bid should be stored in a separate miscellaneous folder identified by company name

IV. Award Folder Documentation and Sub-folders:

A. Award Documentation:

- Purchase Order/Contract
- SOW, Drawings
- Rate Schedule/Labor and other cost estimates
- Support/License Agreement
- Contract Transmittal Cover Letter
- Davis Bacon Wage Rates
- "Approved" Subcontractor Plan
- Any other nonstandard forms/clauses not available in the Clauses section of the award parameters.

B. Executed Folder: (Store all correspondence that may need to be viewed by other departments)

- Executed copy of the award/contract (scanned signature page)
- Executed copy of external agreements (license/support agreements)
- Insurance Certificate
- Payment Bonds, Performance Bonds
- Notice to Proceed letter
- Specific Assignments received from Division PD 117
- Approved Job Safety Analysis PFS-525

- Duty-free Entry Forms
- Subcontract Report for Individual Contracts (SF-294 and 295)
- Delegation of Authority Memo

C. Post Award Administration Folder: (Available in the Award, Mod, or Task Order Folders)

- Notice to Unsuccessful Offerors
- Material Exceptions
- Accounting Clarifications
- Post-Award Contractor correspondence

The Post Award Amin Folder is not visible when requesting the Award Folder through "View Only."

D. Modification Folder:

- OTNP, PR, or Point PR
- Actual Modification (Change Order/Supplement)
- All accompanying external documentation

A negotiation folder shall be used to store related correspondence, summary memos, short form memos, etc. Sub-folders (pre-award, legal, and tech reviews, etc.) shall be used as needed.

E. Task Order Folder:

- OTNP, PR, or Point PR
- Actual Task Order
- All accompanying external documentation

Sub-folders (Negotiation, including pre-award document folder set; miscellaneous; and/or correspondence) can be created to store related correspondence (see Additional Sub-folders, Section I). All documents should be stored in the same manner as identified in Section III under "Negotiation Folder Documentation and Sub-folders."

F. Close Out Folder:

1. The Close Out folder will automatically build when the award is marked "Physically Complete."

2. Store documents related to the close out process including:

- Subcontract Signature Release (ANL-392)
- Patents Clearance Letters
- AP Forms

V. Additional Sub-Folders, where necessary

A. Negotiation Folder, including the Pre-Award Document Sub-Set: Available at the main Procurement Package level, Solicitation Folder, Modification Folder, and Task Order Folder. Use to store related correspondence.

B. Correspondence Folder: Available at the main Procurement Package level, Solicitation Folder, Negotiation Folder, Modification Folder, Task Order Folder. Use to store and/or route related correspondence.

C. Miscellaneous Folder: Available from within any system folder. Use to store related correspondence.

5.5 ADMINISTRATION GUIDELINES

1. Procurements covering non-commercial supplies and services may require a significant degree of administration. Contract, purchase order, and agreement administration is the responsibility of the cognizant buyer/contract specialist.

2. A Notice to Proceed issued by Procurement, or designee, approved by the Procurement Manager and identified in the contract, is required for all high-risk on-site work. Prior to the notice to proceed for on-site work, the buyer/contract specialist (or designee) will ensure that the following documents, as applicable, have been received and approved by the Laboratory:

   a. Certificate of Insurance; and

   b. High Risk Job Safety Analysis, ANL-209H cover page signed by the Technical Representative, ESH Coordinator, and Facilities Management and Services (FMS)-Construction Safety.

3. The Technical Representative gives the contractor approval to proceed for moderate risk on-site work after all applicable ESH requirements have been reviewed and approved by the Technical Representative and the Divisional ESH Coordinator. Delivery of certificates of insurance as proof of required insurance is not required for moderate risk on-site work.

4. The Technical Representative gives the contractor approval to proceed for low risk on-site work after all applicable ESH requirements have been reviewed and approved by the Technical Representative with the support of the Divisional ESH Coordinator. Delivery of certificates of insurance as proof of required insurance is not required for low risk on-site work.

5. Buyer/Contract Specialist prepares any changes or modifications to the award document as is required and authorized.

6. Awards valued at $650,000 or greater to large business concerns require small business subcontracting plans. Those contracts which contain small business subcontracting plans require submission of SF-294 and SF-295 reports semi-annually by the contractor via eSRS. The Contract Specialist/Buyer shall obtain any required SF-294 or SF-295 reports under the following circumstances/conditions:

   a. An SF-294 report is due:

(1) From each contractor who has a contract which contains an *individual subcontracting plan*. A separate report is due for each contract containing such plans;

(2) Each April 30, for the period beginning October 1 through March 31 of each calendar year; and

(3) Each October 30 for the period beginning April 1 through September 30 of each calendar year.

NOTE: SF-294 reports are not required from contractors who have submitted a commercial plan which has been approved for all contracts awarded during its fiscal year.

b. An SF-295 report is due:

(1) From each contractor who has a contract which contains either an individual or commercial subcontracting plan; and

(2) Each October 30 for the preceding period beginning October 1 through September 30.

NOTE: Each SF-295 which is submitted in support of a contractor's commercial plan shall indicate the percentage of dollars reported which is attributable to the Laboratory's contract(s) during the period. This information shall be provided in the specified block on the SF-295 form.

c. The requirement for the submittal of paper versions of the Standard Form (SF) 294. Subcontracting Reports for Individual Contracts, and SF 295, Summary Subcontract Reports, as provided in FAR 52.219-9(j) will be provided in accordance with the electronic submittal of data under the Electronic Subcontract Reporting System (eSRS). http:/www.esrs.gov/

The contractor's subcontracting plan shall include assurances that the offeror will:

(1) submit the Individual Subcontracting Reports and Summary Subcontracting Reports under the eSRS, and

(2) ensure that its subcontractors agree to submit Individual Subcontracting Reports and Summary Subcontracting Reports at all tiers, in eSRS.

The contractor or subcontractor shall provide such information that will allow applicable lower tier subcontractors to fully comply with the statutory requirements of FAR 19.702.

d. The contract specialist/buyer shall assure that the reports are properly completed with all required information including:

(1) The fiscal year being reported;

(2) The DUNS number for the contractor in the block entitled "contractor's I.D. number;"

(3) The reports from Argonne contractors indicate that the submission is from a ***Subcontractor***, not a prime contractor;

(4) The subcontract number is cited the report;

(5) The goals reported agree with the small business goals contained in the subcontracting plan;

(6) The subcontracted dollars to small-disadvantaged (SDB), small women-owned (WO), hub zone (HUBZ), veteran-owned small business (VO), and service disabled veteran-owned small business (VOSD), do not exceed the dollars subcontracted to small businesses. SDB, WO, HUBZ, VO, VOSD, are all subsets of small business;

(7) The current goals should remain unchanged for both SF-294 reports in a reporting year. The amount of cumulative dollars actually subcontracted should increase from the first SF-294 to the second SF-294. The cumulative total dollars subcontracted on the SF-294 report for the period April 1 through September 30 should match the total subcontracting efforts in each category cited on the SF-295, summary report, at the end of each reporting year.

e. The original SF-294 and SF-295 forms shall be provided to the Procurement Services cost/price analyst, and copies of each report shall be retained in the contract file.

7. Options are exercised as appropriate.

8. Payments are administered in accordance with the terms of the agreement.

9. Terminations and or cancellations are handled in accordance with Chapter 9*, Argonne Specific Requirements*.

5.6 CLOSEOUT GUIDELINES

5.6.1 COMPLETION

1. A subcontract/purchase order is complete when:

   a. The supplier has completed the required delivery of supplies/services, and the Laboratory has inspected and accepted such supplies/services.

   b. The time frame to exercise the options, if any, has expired.

   c. The actions, as described in **Exhibit 5.6-A**, *Closeouts*, for the applicable contract type are completed.

2. Document Retention

   a. All Procurement records valued at $100,000 or less, shall be retained for three (3) years.

   b. All Procurement records in excess of $100,000 shall be retained for six (6) years and three (3) months.

EXHIBIT 5.6-A CLOSEOUTS

A. Fixed Price Purchase Orders

   1. Obtain oral confirmation from the technical representative that work is complete.

   2. Obtain property inventory and disposition, as needed.

   3. Obtain DOE Patents release, as needed.

   4. Retain file documentation in accordance with the retention schedule.

B. Fixed Price Non-Construction Contracts

   1. Obtain oral confirmation from both the supplier and the technical representative that work is complete. Review file for completeness.

   2. Obtain the initial accounting closeout form.

3. Route ANL Form 392, Signature Release.
4. Obtain property inventory and disposition, as needed.
5. If obligation amount and invoiced amount of contract differ, prepare a supplemental agreement to reconcile.
6. Obtain DOE patents release, as needed.
7. Retain file documentation in accordance with the retention schedule.

C. Not-To-Exceed Type Purchase Orders

1. Obtain oral confirmation from both the supplier and the technical representative that work is complete. Review file for completeness.
2. Obtain Contractors Release, as needed.
3. Obtain Property inventory and disposition, as needed.
4. Obtain DOE/Patents release, as needed.
5. Retain file documentation in accordance with the retention schedule.

D. Labor Hour Time and Material Type Contracts

1. Obtain oral confirmation from both the supplier and the technical representative that work is complete. Review file for completeness.
2. Obtain the initial accounting closeout form.
3. Route ANL Form 392, Signature Release.
4. Obtain Contractors Release, Form ANL-546.
5. Obtain Assignments of Refunds, Rebates and Credits and Other Amounts from supplier.
6. Obtain property inventory and disposition, as needed.
7. Obtain DOE patents release, as needed.

8. Obtain a final accounting closeout form.

9. If unexpended funds exceed $500.00, prepare closeout modification in PARIS.

10. Retain file documentation in accordance with the retention schedule.

E. Cost Type Contracts

1. Obtain oral confirmation from both the supplier and the technical representative that work is complete. Review file for completeness.

2. Obtain the initial accounting closeout form.

3. Route ANL Form 392, Signature Release.

4. Obtain property inventory and disposition, as needed.

5. Negotiate final rates or utilize final audited rates if other than predetermined rates have been used. Where appropriate, use quick-closeout procedure (Exhibit 5.6-B).

6. Obtain Contractors Release, Form ANL-546.

7. Obtain Assignments of Refunds, Rebates and Credits and Other Accounts, Form ANL-542 from supplier.

8. Obtain DOE patents release, as needed.

9. Obtain final accounting approval in PARIS.

10. If unexpended funds exceed $500.00, prepare closeout modification in PARIS.

11. Retain file documentation in accordance with the retention schedule.

F. Blanket Agreements

1. Obtain initial accounting closeout request, and a summary of payments made on initial orders written under the blanket agreement.

2. Obtain oral confirmation from both the supplier and the technical representative that work is complete under each affected order. Review file for completeness.

3. Route ANL Form 392, Signature Release(s) to the cognizant technical representatives as specified in the orders.

4. Issue summary orders or supplemental agreements setting forth the final value of the work orders as completed under the terms and conditions of the blanket agreement.

5. Obtain property inventory and disposition, as needed.

6. Obtain Contractors Release, as needed.

7. Obtain Assignment of Refunds, Rebates and Credits and Other Amounts from the supplier, as needed.

8. Obtain a DOE patents release, as needed.

9. Obtain final accounting approval in PARIS.

10. Retain file documentation in accordance with the retention schedule.

EXHIBIT 5.6-B QUICK-CLOSEOUT PROCEDURE

A. The contract specialist responsible for contract closeout shall negotiate the settlement of indirect costs for a specific contract, in advance of the determination of final indirect cost rates, if--

The contract is physically complete;

The amount of unsettled indirect cost to be allocated to the contract is relatively insignificant. Indirect cost amounts will be considered insignificant when--

The total unsettled indirect cost to be allocated to any one contract does not exceed $1,000,000; and

Unless otherwise provided in agency procedures, the cumulative unsettled indirect costs to be allocated to one or more contracts in a single fiscal year do not exceed 15 percent of the estimated, total unsettled indirect costs allocable to cost-type contracts for that fiscal year. The Procurement Manager may waive the 15 percent restriction based upon a risk assessment that considers the contractor's accounting, estimating, and purchasing systems; other concerns of the cognizant contract auditors; and any other pertinent information; and

Agreement can be reached on a reasonable estimate of allocable dollars.

B. Determination of final indirect costs under the quick-closeout procedure provided for by the Allowable Cost and Payment clause in Appendix A, Cost Plus Fixed-Fee contracts shall be final for the contract it covers and no adjustment shall be made to other contracts for over- or under-recoveries of costs allocated or allocable to the contract covered by the agreement.

C. Indirect cost rates used in the quick closeout of a contract shall not be considered a binding precedent when establishing the final indirect cost rates for other contracts.

6.1 INTRODUCTION

6.1.1 PURPOSE

This chapter establishes the procurement processes and guidelines to be used by the Procurement Department for acquisition of construction requirements.

6.1.2 SCOPE

This guideline applies to the purchase of all construction requirements. Construction requirements include construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. The terms "buildings, structures, or other real property" include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, buoys, jetties, breakwaters, levees, canals, channels, dredging, shoring, rehabilitation and reactivation of plants, scaffolding, capital improvement drilling, blasting, excavating, clearing and landscaping.

6.2 PRE-SOLICITATION PREPARATION GUIDELINES

6.2.1 REVIEW

The requisition document and supporting information are reviewed to ensure that:

a. Work project numbers or task codes are shown on the requisition, and approval commensurate with the estimated dollar value of the project has been obtained from an individual with designated requisitioning authority;

b. Specifications and drawings are clear, complete, and have been reviewed and approved by:

   (1) Project Manager;

   (2) Appropriate Quality Assurance Representative (QAR), as needed; and

   (3) Facilities Management and Services (FMS).

c. A sufficient number of specifications and drawings have been provided for the intended solicitation;

d. A copy of the DOE- CH Form 164, *Request For Davis-Bacon Determination* (Exhibit 6.2-A), has been provided;

e. A sufficiently detailed, independent in-house cost estimate has been provided;

f. Incomplete packages are returned to the requisitioner for compliance with elements described above; and

g. A *Solicitation Milestone Plan* (see Chapter 3), is prepared for significant construction solicitations.

6.2.2 SOLICITING COMPETITION

a. The Laboratory may issue blanket agreements to handle the construction requirements. These blanket agreements may number three or more at any given point in time and will be issued by the Procurement Department using an appropriate source selection process as described in *Basic Source Selection Process* (see Chapter 3). Once established, construction requirements, regardless of dollar value, may be competed

among existing blanket agreement suppliers without any additional competition from outside suppliers, provided the solicitation clearly states that it is being reserved exclusively for blanket agreement holders.

(1) Competition of construction requirements estimated to be $100,000 or less are normally accomplished by rotating or competing awards among existing blanket agreement suppliers; and

(2) Construction requirements greater than $100,000 are normally accomplished by competitive solicitations among existing blanket agreement suppliers.

b. The establishment and maintenance of solicitation lists of qualified general and specialized construction suppliers is the responsibility of the buyer/contract specialist. Construction solicitations involving suppliers **in addition to, or in lieu of** existing blanket agreement suppliers are solicited within the following guidelines:

(1) Solicitations estimated to be $25,000 or less are issued to one or more suppliers at the discretion of the buyer/contract specialist.

(2) For solicitations estimated to be in excess of $25,000, solicitation of two or more sources that can reasonably be expected to provide independently priced offers is sufficient, unless the requirement is exempt from competition requirements.

(3) Selection and evaluation method appropriate to the requirement will be determined by the buyer/contract specialist in accordance with *Source Selection Process Guidelines* (see Chapter 3).

6.2.3 SOLICITATION METHOD

a. For solicitations restricted to blanket agreement suppliers, requests for quotation (RFQ) are normally used, regardless of the dollar value of the construction requirement; or

b. Construction solicitations that are not restricted to blanket agreement suppliers are normally accomplished within the following guidelines:

(1) Requirements of $100,000 or less are solicited by using written RFQs; and

(2) Solicitations more than $100,000 are issued by using written RFP or invitations for bid (IFB) packages at the discretion of procurement management.

6.2.4 SOLICITATION TERMS AND CONDITIONS

a. Buyer/contract specialists will assemble and tailor construction solicitations using the appropriate instructions, documents, and samples listed at Exhibit 6.2-B, *Pre-Solicitation Construction Guidelines For Construction Solicitations.*

b. Solicitation bonding requirements are addressed using the following guidelines:

(1) Construction solicitations require payment bonds if they are estimated to exceed $25,000, while performance bonds are also required for those valued in excess of $100,000. IFB solicitations in excess of $100,000 also require a bid guarantee. Buyer/contract specialists may require bonding for lower dollar value solicitations, or for other contracts in which construction work is incidental to the total contract, as deemed necessary. Also, blanket agreements awarded without any initial construction projects do not require bonds, but contain clauses requiring bonds for orders issued against blanket agreements.

(2) Required bond values for construction awards (including orders awarded under blanket agreements) are as follows:

(a) ***BID GUARANTEES*** are required for 20% of the proposed amount offered by suppliers to do the work on IFB solicitations. Such guarantees are submitted on an Argonne Form ANL-17, *BID BOND*, or as a certified check.

(b) ***PERFORMANCE BONDS***, Argonne Form ANL-24, *PERFORMANCE BOND*, are required for 100% of the contract price to assure fulfillment of all supplier obligations.

(c) ***PAYMENT BONDS***, Argonne Form ANL-22, PAYMENT BOND, are required in the following amounts:

(i) *Contracts exceeding $100,000 (Miller Act)*. Unless the Procurement Manager approves a written determination supported by specific findings that a payment bond in this amount is impractical, the amount of the payment bond must equal:

- 100 percent of the original contract price; and

- If the contract price increases, an additional amount equal to 100 percent of the increase.

The amount of the payment bond must be no less than the amount of the performance bond.

(ii) *Contracts exceeding $25,000 but not exceeding $100,000*. Unless the Procurement Manager determines that a lesser amount is adequate for the protection of the Laboratory, the penal amount of the payment bond or the amount of alternative payment protection must equal:

- 100 percent of the original contract price; and
- If the contract price increases, an additional amount equal to 100 percent of the increase.

(iii) *Securing additional payment protection*. If the contract price increases, Procurement must secure any needed additional protection by directing the contractor to:

- Increase the penal sum of the existing bond;
- Obtain an additional bond; or
- Furnish additional alternative payment protection.

(iv) *Reducing amounts*. The Procurement Manager may reduce the amount of security to support a bond, subject to the conditions of FAR 28.203-5(c) or 28.204(b).

(3) Value Engineering. Include the clause at Chapter 10, paragraph 3.m, Value Engineering, in all construction solicitations and contracts that are valued at $1 million or more.

6.2.5 SOLICITATION REPRESENTATIONS AND CERTIFICATIONS

a. Construction contracts normally REQUIRE the delivery of technical data. The supplier's on-line representations and certifications information downloaded from ORCA and the Pre-Award Information, form PD-159; or (2) form ANL-70B, *Pre-Award Information,* with

attached Booklet of Representations and Certifications, are obtained on all construction awards in excess of $10,000; and

b. For purchases requiring machining or processing of beryllium at any dollar value, the appropriate form, *Pre-Award Information*, form PD-158, ANL-70A or ANL-70B is required for the contractor's certification.

c. Whenever ANL-70A or ANL-70B, Representations and Certifications, are required, electronic Representations and Certifications may be substituted therefore, provided the contractor is registered with the ORCA website (http://orca.bpn.gov/publicsearch.aspx). The contractor's DUNS Number is required to utilize the site. Whenever representations and certifications from the ORCA website are utilized, the form entitled Pre-Award Information, PD-158, or Pre-Award Information, PD-159, must be used as appropriate. If a contractor is not registered with ORCA, ANL-70A or ANL-70B must be used as otherwise required.

d. Facility clearance representations are required when the contract involves any of the following:

   (1) Classified work;

   (2) Access to classified information;

   (3) Access to a significant amount of special nuclear material as defined in 10 CFR 710; or

   (4) The issuance of access authorizations.

e. Certification of Current Cost or Pricing Data is required for non-commercial actions expected to be $700,000 or more when an award is noncompetitive, unless one of the exemptions in Chapter 9, Argonne Specific Requirements, applies.

f. Certification of Cost Accounting Standards is required for awards to other than small businesses expected to be in excess of $550,000, unless otherwise exempt (see Chapter 9).

6.2.6 PRE-BID/PROPOSAL CONFERENCES AND SOLICITATION CLOSING DATE

a. The amount of time allotted for the submittal of solicitation responses should be commensurate with the complexity of the requirement, as determined by the buyer/contract specialist;

b. Commensurate with the complexity of the requirement, pre-bid/proposal conferences (*Pre-Bid Meeting Agenda*, Exhibit 6.2-C) may be held with prospective suppliers for the purpose of site familiarization and discussions on solicitations. All such conferences will be coordinated with respective project managers. Results of these conferences are published to prospective suppliers. Any changes to the solicitation are accomplished in the form of an amendment to the solicitation; and

c. Suppliers are instructed that all solicitation responses are to be delivered to the designated office by the specified date and time in the solicitation.

EXHIBIT 6.2-A

DOE-CH Form 164 (Rev. 6/92)

U.S. DEPARTMENT OF ENERGY
CHICAGO FIELD OFFICE

REQUEST FOR DAVIS-BACON DETERMINATION

DOE ROUTING

To		From	Reviewed By	Date Reviewed
	OM			
	CD			
	OMS			
	OC			
	PMED			

INSTRUCTIONS: Contractors complete Items (1) through (5) and forward to appropriate contracting officer.

Remainder of Form for DOE use only.

(1) Contractor: Name and Address	(2) Title and Number of Document Identifying Work: (directive, service request, etc.)	(3) Date of This Request

(4) Proposed Method of Performance - (Describe the location of work, what will be done, and how it will be done.)

(5) Estimate Cost Breakdown:	OWN LABOR FORCE	SUBCONTRACT
Engineering _____	$_____	$_____
Construction _____	_____	_____
Shopwork (Fabrication) _____	_____	_____
Installation _____	_____	_____
Procurement_____	_____	_____
Contingency _____	_____	_____
Subtotals_____	$_____	$_____

Total Cost _____ $_____

(6) Davis-Bacon Committee Recommendation:	(7) Signature and Title
Davis-Bacon Act (is) (not) applicable.	Approved:

EXHIBIT 6.2-B

PRE-SOLICITATION CONSTRUCTION GUIDELINES FOR CONSTRUCTION SOLICITATIONS

1. List of Enclosures;

2. Invitation For Bid or Request For Proposal (construction contract), one (1) copy;

3. Appendix, Wage Rates one (1) copy;

4. Bid (construction contract), three (3) copies;

5. Appendix "A", Argonne Terms and Conditions for Fixed-Price Construction Contracts, one (1) copy (solicitations greater than $100,000) or Appendix A-1 for solicitations less than $100,000;

6. Appendix A Supplement to the Argonne Terms and Conditions for Fixed Price Construction Contracts;

7. Respective Intellectual Property Provisions;

8. Bid Bond, ANL-17, three (3) copies;

9. Payment Bond, ANL-22, one (1) copy;

10. Performance Bond, ANL-24, one (1) copy;

11. Specifications;

12. Drawings;

13. Affirmative Action Requirements;

14. Pre-Award Information, Booklet of Representations and Certifications;

15. Notice of Total Small Business Set-Aside;

16. Notice of Required Safety Program;

EXHIBIT 6.2-B (CONTINUED)

17. Form ANL-21, Fixed Price Construction Contract, one (1) copy; and

18. Argonne National Laboratory Contractor Safety Information Questionnaire (Form PFS-525).

EXHIBIT 6.2-C

PRE-BID MEETING AGENDA

INVITATION FOR BID (IFB) NO. _____

FMS Project Manager (PM):

PRO Contract Specialist (CS):

FMS Safety Representative:

1. Introductions (CS)
2. Scope of Work (PM)
3. Sequence of Construction/Milestone Dates/Submittal of Schedule (PM)
4. Environment, Safety, and Health Requirements (FMS Safety)
5. Security (PM, FMS Safety)
6. Temporary Facilities (PM)
7. Temporary Utilities (PM)
8. Temporary Protection (PM)
9. Work by Others (PM)
10. Laboratory Furnished Equipment or Material (PM)
11. IFB Provisions and Terms and Conditions (CS)
12. Labor Standards - Compliance with Davis-Bacon Act (CS)

6.3 SOLICITATION GUIDELINES

6.3.1 AMENDMENTS TO THE SOLICITATION

a. In the event it becomes necessary to issue an amendment to a solicitation due to changes in quantities, specifications, delivery requirements, closing dates, etc., the amendment must be sent to all prospective offerors if the closing date for receipt of offers has not arrived.

b. In the event it becomes necessary re-establish a response period to a solicitation after the initial closing date has arrived, it is not necessary to include offerors who have previously indicated a "no bid/offer" response to the initial solicitation, or those offerors who failed to respond to the initial solicitation, *unless the buyer/contract specialist has knowledge that the change would have resulted in an offer from any particular source had it been incorporated before the initial closing date.*

6.3.2 ADDITIONAL BIDDERS

The determination to include an additional supplier in a solicitation is made by the buyer/contract specialist. Normally, solicitations issued only to blanket suppliers will not be released to other potential suppliers.

6.3.3 CANCELLATION OF SOLICITATION

When a situation arises requiring cancellation of a solicitation, all suppliers are notified as soon as possible.

6.3.4 MODIFICATIONS/WITHDRAWAL

Quotations/proposals/bids may be modified or withdrawn by written notice from the offeror provided the Laboratory receives such notification before the date set for receipt of quotations/proposals/bids.

6.3.5 LATE QUOTATIONS/PROPOSALS/BIDS

Quotations/proposals/bids, including their withdrawal or modification, received by the Laboratory after the closing date shall be considered late. Except as otherwise specifically provided in the

solicitation, the Laboratory may consider for award such late quotations or proposals if it is in the best interests of the Laboratory. All IFBs, where bids are sealed, then publicly opened, shall contain a "Late Bids" clause.

6.4 EVALUATION AND AWARD GUIDELINES

6.4.1 PROCUREMENT REVIEW

All quotations/proposals/bids received are reviewed for completeness and conformity with the solicitation. Only responsive, responsible suppliers are considered for award. Suppliers on the list of firms debarred or suspended from doing business with the federal government are only considered for award of procurements (in excess of $30,000) with the prior written approval of the Argonne Procurement Manager and prior written notice is given to the Department of Energy (DOE).

6.4.2 TECHNICAL REVIEWS

a. Quotations received in response to requests for quotation do not normally require a technical review;

b. Requests for proposal responses normally require a review of the technical evaluation factors included in the proposal by the requesting division's technical representative;

c. RFQ and RFP responses to **significant procurements** require a review of the technical evaluation factors by the requesting division's technical representative or Technical Evaluation Team (TET); and

d. When the apparent low quotation/proposal/bid is 15% higher or lower than the Laboratory independent estimate, technical personnel normally:

   (1) Provide an explanation for the discrepancy and recommend award;

   (2) Recommend a bid verification; or

   (3) Request cancellation of the solicitation.

6.4.3 DETERMINATION OF PRICE REASONABLENESS

a. Blanket Agreement Actions

   (1) Cost/price analyst's review to support price reasonableness is obtained on non-competitive actions valued at $100,000 or more and all other actions in excess of $250,000.

(2) For awards less than $100,000 rotated among existing blanket agreement suppliers, technical personnel concurrence is all that is needed to determine price reasonableness unless procurement personnel feel additional price/cost analysis activity is required; and

(3) For awards competed among existing blanket agreement suppliers, price analysis is the preferred method of determining price reasonableness.

b. Non-Blanket Agreement Construction Awards

(1) Regardless of dollar value, the buyer/contract specialist may request the assistance of the staff cost/price analyst;

(2) For awards of $3,000 or less, the administrative cost of verifying the cost/price reasonableness may more than offset the potential savings from detecting instances of overpricing. The buyer/contract specialist's analysis as documented in the contract file is adequate and sufficient documentation that the cost/price is fair and reasonable. Action to verify cost/price reasonableness should be taken when the buyer/contract specialist has reason to suspect that the cost/price **may not** be reasonable, or when acquiring an item for which no comparable cost/pricing information is readily available;

(3) For awards exceeding $3,000, buyer/contract specialists will document an appropriate cost/price analysis review using one or more of the techniques shown in Exhibit 9.3-A to support price reasonableness; and

(4) Cost/price analyst's review to support price reasonableness is obtained on non-competitive actions valued at $100,000 or more and all other actions in excess of $250,000.

6.4.4 OTHER EVALUATION FACTORS

a. The buyer/contract specialist may evaluate business information provided by an offeror, i.e., call references to confirm past performance claims, and otherwise establish responsibility;

b. Exceptions and or deviations requested by the suppliers(s) (for other than IFBs) are evaluated. Legal review is required for all deviations to standard terms and conditions. Additional assistance from the Legal Department may be requested at the discretion of the buyer/contract specialist;

c. On an as needed basis, pre-award audits or surveys commensurate with the dollar value and criticality of the requirement are requested; and

d. For those actions subject to Facility Clearance, determination(s) are obtained as appropriate.

e. Obtain an acceptable small business plan prior to award of a contract to large business suppliers valued at $1,500,000 or greater.

6.4.5 CONVERSION OF SEALED BIDS TO NEGOTIATED PROCUREMENTS

The Laboratory may complete a sealed bid construction acquisition by negotiation after review and approval by Procurement management when:

a. Bid prices received are unreasonably high or only one bidder responded and price reasonableness cannot be established; or

b. No responsive bid has been received from a responsible bidder.

6.4.6 AWARD DOCUMENTS

a. Construction award actions require written award documents (form ANL-21, *Fixed-Price Construction Contract)*. **The name and telephone number of the Project Manager is normally specified in the award document;**

b. Initial blanket agreements for construction will incorporate all terms conditions and provisions necessary for the issuance of fixed-price work order or task order; and

c. Blanket supplier awards for construction projects are normally accomplished on a work order or task order incorporating by reference the provisions of the blanket agreement.

d. The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

6.4.7 FILE DOCUMENTATION

a. For actions less than $2,000, all pertinent file documentation will be retained in chronological order;

b. All construction awards in excess of $2,000 will be filed in accordance with **Exhibit 6.4-A**, *Construction Subcontract File Directory*, and/or existing noncommercial guidelines; and

c. A copy of all applicable work orders or task orders will normally be maintained in blanket agreement files.

6.4.8 APPROVALS

a. For all award actions, determine approvals required by consulting appropriate guidelines prior to execution;

b. A copy of an approved DOE-CH Form 164, *Request for Davis Bacon Determination*, must be on file prior to any award in excess of $2,000; and

c. Route procurement file for approvals. Approvals may be written or electronic in accordance with applicable procedures. Upon receipt of all required approvals, make award.

6.4.9 DISTRIBUTION OF AWARD DOCUMENTS

Award documents and all required attachments shall be distributed by either electronic transmission or hard copy to all affected parties, including at a minimum:

a. Supplier,

b. Requesting division/organization,

c. Accounts Payable, and

d. Environmental Safety and Health (ESH).

EXHIBIT 6.4-A PARIS STANDARD FILE ORGANIZATION

In order to facilitate review and approval, all award actions shall include the following: (include all that apply). The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

I. Procurement Package Main Level

A. Solicitation Folder (System Folder, see Section II)

B. Negotiation Folder (System Folder, see Section III)

C. Award Folder (System Folder, see Section IV)

D. Requisition/Point PR Folder:

A Point PR is required when the Requestor revises specifications, or does not include system documents, or routing approvals for a sole source justification (ANL-410), Retroactive Approval, Davis Bacon Wage Determination, etc.

II. Solicitation Folder Documentation and Sub-folders

A. Solicitation Documents:

- RFQ/RFP
- SOW
- Drawings
- Any other solicitation external documents

Sub-folders (Negotiation/Miscellaneous) can be created to store related correspondence; i.e., Fed-ex receipts and/or RFP/RFQ/IFB acknowledgements.

B. Amendment Folder, (if required):

- Actual Amendment to the solicitation

Sub-folder (Negotiation/Miscellaneous/Correspondence) shall be created to store related correspondence; i.e., Fed-ex receipts and/or RFP/RFQ/IFB acknowledgements (see Additional Sub-folders, Section V).

C. Pre-Solicitation Review/Documents Folder, (if required):

Create a Negotiation Folder and rename it "Pre-Solicitation Review/Documents."

- Justification for Non-competitive Procurement Approval (ANL-410)
- Solicitation Milestone Approval
- Advance Procurement Plan Approval
- Notice of Intent to Make a Service Contract
- Response to Notice of Intention to Make a Service Contract.

III. Negotiation Folder Documentation and Sub-folder

A. For a complex Procurement, a series of folders will be created to file required documentation. From within the Negotiation Folder, select *"Create Folder/Pre-Award Documents"*.

1. Pre-Award Reviews/Documents Sub-folder:

- Checklist, Procurement Documentation and Clearance (PD-1)
- Procurement Summary or Proposal Evaluation
- Cost Savings/Avoidance Report
- Debarred Bidder's search results
- Pro-Net search results
- Cost Price Evaluation comments
- Market survey information
- Davis Bacon Determination
- Personal Services Questionnaire Documents (Approved by Act)
- Request for Small Business Subcontract Waiver & Approval
- Request for Approval of Subcontract or Purchase Order Action (PD-2)
- OCI Determination
- FOCI Determination

2. Tech Review Sub-folder
    - Technical Review Proposal Evaluation
    - Source Selection
    - Conflict of Interest Statements
    - Confidentiality Statements
3. Legal Review Sub-folder (Pre-Award):
    - Create the ANL-475 in a Correspondence Folder
    - Export any other appropriate documentation
    - Route to Legal for review
    - Retain Legal comments and other related correspondence in the folder
4. Successful Bidder Sub-folder:
    - PD-9
    - Successful Bid and accompanying documentation
    - Reps and Certification
    - Published Price List
    - Certificate of Cost/Price
    - Certificate of Commercial Pricing
    - Indirect Rate Agreement
    - Completed Bid Bond
    - Any additional information related to clarification or negotiations
    - Best and final offer

5. Unsuccessful Bidder Sub-folder

- All Unsuccessful Bids
- Reps and Certification
- All Supporting Documentation

Each Unsuccessful Bid should be stored in a separate Miscellaneous Folder identified by Company name

IV. Award Folder Documentation and Sub-folders:

A. Award Documentation:

- Purchase Order/Contract
- SOW, Drawings
- Rate Schedule/Labor & other cost estimates
- Support/License Agreement
- Contract Transmittal Cover Letter
- Davis Bacon Wage Rates
- "Approved" Subcontractor Plan
- Any other nonstandard forms/clauses not available in the Clauses section of the award parameters.

B. Executed Folder: (Store all correspondence that may need to be viewed by other departments)

- Executed copy of the award/contract (scanned signature page)
- Executed copy of external agreements (license/support agreements)
- Insurance Certificate
- Payment Bonds, Performance Bonds
- Notice to Proceed letter
- Specific Assignments received from Division PD 117

- Contractor Safety Information Questionnaire PFS-525
- Duty-free Entry Forms
- Subcontract Report for Individual Contracts (SF-294 & 295)
- Delegation of Authority Memo

C. Post Award Administration Folder: (Available in the Award, Mod or Task Order Folders)

- Notice to Unsuccessful Offerors
- Material Exceptions
- Accounting Clarifications
- Post-Award Contractor correspondence

The Post Award Admin Folder is not visible when requesting the Award Folder through "View Only."

D. Modification Folder:

- OTNP, PR, or Point PR
- Actual Modification (Change Order/Supplement)
- All accompanying external documentation

A negotiation folder shall be used to store related correspondence, summary memos, short form memos, etc. Sub-folders (pre-award, legal, and tech reviews, etc.) shall be used as needed.

E. Task Order Folder:

- OTNP, PR, or Point PR
- Actual Task Order
- All accompanying external documentation

Sub-folders (Negotiation, including pre-award Document folder set; Miscellaneous; and/or Correspondence) can be created to store related correspondence (see Additional Sub-folders, Section I). All documents should be stored in the same

manner as identified in Section III under "Negotiation Folder Documentation and Sub-folders."

F. Close Out Folder:

1. The Close Out folder will automatically build when the award is marked "Physically Complete."

2. Store documents related to the close out process including:

- Subcontract Signature Release (ANL-392)
- Patents Clearance Letters
- AP Forms

V. Additional Sub-Folders, where necessary

A. Negotiation Folder, including the Pre-Award Document Sub-Set: Available at the main Procurement Package level, Solicitation Folder, Modification Folder, and Task Order Folder. Use to store related correspondence.

B. Correspondence Folder: Available at the main Procurement Package level, Solicitation Folder, Negotiation Folder, Modification Folder, Task Order Folder. Use to store and/or route related correspondence.

C. Miscellaneous Folder: Available from within any system folder. Use to store related correspondence.

6.5 ADMINISTRATION GUIDELINES

1. Construction award administration is the responsibility of the cognizant buyer/contract specialist.

2. A notice to proceed issued by Procurement is required for all construction work prior to initiation of work, and normally as part of attendance at the preconstruction meeting, the buyer/contract specialist will ensure that the following documents, as applicable, have been received and approved by the Laboratory:

   a. Signed contract;

   b. Payment and Performance Bonds;

   c. Certificate of Insurance;

   d. Environmental, Safety and Health (ESH) Work Release Checklist (form PFS-529) including any job specific safety plans;

   e. Contract cost breakdown (if required);

   f. Construction schedule;

   g. List of subcontractors; and

   h. Supplier certification ANL-564 (Certification of Labor Compliance), of labor standards for payrolls and wage rates.

3. Buyer/Contract Specialists prepare any formal changes or modifications to the award document as is required and authorized. These changes or modifications must be supported by appropriate requisitioning documents (i.e., Engineering Change Proposals [ECP]) approved by an individual with designated requisitioning authority on the approved work project or task center. All requests for contract modifications are sent to the Procurement Department from Facilities Management and Services (FMS). The FMS-Construction Safety and QAR review may also be required on an as needed basis. Requests submitted without these approvals are returned to the requisitioner for compliance with these elements.

   a. In accordance with the terms of the Changes clause of the contract, the Laboratory reserves the right to unilaterally make changes in the specifications and drawings, omit work, or require additional work by written order. Adjustments in the contract price, time of performance and any other revisions to the requirements or provisions of the contract

are normally mutually agreed upon by the Laboratory and the supplier prior to commencement of work. The negotiation of changes with the supplier, and incorporation of the change into the contract are the responsibility of the buyer/contract specialist;

b. Modifications may also be issued to add work to an existing contract. Such modifications to a contract are mutually agreed upon by the Laboratory and the supplier. The negotiation of modifications with the supplier, and incorporation of the modification into the contract are the responsibility of the buyer/contract specialist;

c. Changes may be directed by the buyer/contract specialist orally or by letter when circumstances do not allow sufficient time to obtain an agreement of the supplier to price or time adjustments. Any oral directions shall be **promptly** confirmed in writing;

d. Any technical questions from the supplier concerning modifications are referred to the FMS Division for coordination and reply through the buyer/contract specialist;

e. Where there is no acceptable agreement with the supplier on an equitable adjustment resulting from an authorized change, the matter and appropriate correspondence are referred to Argonne Legal for their review; and

f. The distribution of modifications remains the same as for a basic contract.

4. Decentralized authority may be granted on an individual basis by procurement management for completing Change Requisitions (CR) and ECPs up to $5,000 to Procurement Technical Representatives (PTR). Any such delegation will be made in writing, on a contract by contract basis, and is solely at the discretion of procurement management. In addition, at the discretion of the Procurement Manager, a ceiling for de-centralized actions will be established. Guidelines for processing decentralized actions are as follows:

   a. Individual field change orders **will not exceed an aggregate value in excess of $5,000**. For example, a $4,000 addition and a $3,000 deduction to a contract has an aggregate value of $7,000 and is not eligible as a field change order action. Splitting requirements to avoid these thresholds may result in having decentralized authority immediately revoked for any and all contracts;

   b. The total net value of all decentralized actions on any contract **may not exceed the ceiling established by procurement management**, without the express written approval of the Procurement Department;

c. The PTR will evaluate the need to process a decentralized action and prepare ANL Form PD-19, *Field Change Order*, after assuring any required funds and ESH approvals are obtained;

d. The Field Change Order will be signed by the PTR and supplier upon agreement of the affected work and price adjustments with copies being distributed to the supplier, Procurement Department, and Accounts Payable within one work day after signature. **PTRs are not authorized to make any changes to contract clauses, provisions, or language.**

e. Accounts Payable is authorized to make payments on Field Change Orders submitted by PTRs;

f. Decentralized actions are normally incorporated by formal contract modification on a quarterly basis, but at least prior to contract completion; and

g. PTRs will request the advice of Procurement Department personnel on any area they have concerns with on decentralized actions.

5. Labor Provision Compliance and Payrolls: Laboratory obligations to monitor for compliance with applicable labor provisions are achieved by:

a. Providing suppliers information about Davis-Bacon Act compliance at the time of award (see cover letter, Exhibit 6.5-A);

b. Obtaining a written certification (ANL-574) from suppliers that they will monitor all lower-tier subcontractors and ensure their own employees are paid appropriate wages and fringe benefits;

c. Promptly investigating, in coordination with Procurement and Argonne Legal Departments, any complaints or allegations of improper labor law compliance by the use *of Labor Standards Interview*, administered by Construction Field Representatives (CFRs) or spot checks to the supplier's office for current payrolls. Procurement assures prompt initiation of any corrective action determined necessary by the investigation of non-compliance and/or complaint. The depth and degree of any such interview and corrective action is at the discretion of the Laboratory based on the seriousness and complexity of the complaint/allegation; and

d. Briefing suppliers that the Laboratory and DOE retain the right to perform labor compliance reviews and interviews at any time during the contract and up to three years after contract completion.

6. Awards valued at $1,500,000 or greater to large business concerns require small business subcontracting plans. Those contracts that contain small business subcontracting plans require submission of SF-294 and SF-295 reports semi-annually by the contractor via eSRS. The Contract Specialist/Buyer shall obtain any required SF-294 or SF-295 reports under the following circumstances/conditions

   a. An SF-294 report is due:

      (1) From each contractor who has a contract that contains an *individual subcontracting plan*. A separate report is due for each contract containing such plans;

      (2) Each April 30, for the period beginning October 1 through March 31 of each calendar year; and

      (3) Each October 30 for the period beginning April 1 through September 30 of each calendar year.

      NOTE: SF-294 reports are not required from contractors who have submitted a commercial plan which has been approved for all contracts awarded during its fiscal year.

   b. An SF-295 report is due:

      (1) From each contractor who has a contract that contains either an individual or commercial subcontracting plan; and

      (2) Each October 30 for the preceding period beginning October 1 through September 30.

      Note: *Each SF-295 that is submitted in support of a contractor's commercial plan shall indicate the percentage of dollars reported that is attributable to the Laboratory's contract(s) during the period. This information shall be provided in the specified block on the SF-295 form.*

   c. The requirement for the submittal of paper versions of the Standard Form (SF) 294. Subcontracting Reports for Individual Contracts, and SF 295, Summary Subcontract Reports, as provided in FAR 52.219-9(j) will be provided in accordance with the electronic submittal of data under the Electronic Subcontract Reporting System (eSRS). http:/www.esrs.gov/.

      The contractor’s subcontracting plan shall include assurances that the offeror will:

(1) submit the Individual Subcontracting Reports and Summary Subcontracting Reports under the eSRS, and

(2) ensure that its subcontractors agree to submit Individual Subcontracting Reports and Summary Subcontracting Reports at all tiers, in eSRS.

The contractor or subcontractor shall provide such information that will allow applicable lower tier subcontractors to fully comply with the statutory requirements of FAR 19.702.

d. The contract specialist/buyer shall assure that the reports are properly completed with all required information including:

(1) The fiscal year being reported;

(2) The DUNS number for the contractor in the block entitled "contractor's I.D. number;"

(3) The reports from Argonne contractors indicate that the submission is from a Subcontractor, not a prime contractor;

(4) The subcontract number is cited the report;

(5) The goals reported agree with the small business goals contained in the subcontracting plan;

(6) The subcontracted dollars to small-disadvantaged (SDB), small women-owned (WO), hub zone (HUBZ), veteran-owned small business (VO), and service disabled veteran-owned small business (VOSD), do not exceed the dollars subcontracted to small businesses. SDB, WO, HUBZ, VO, VOSD, are all subsets of small business;

(7) The current goals should remain unchanged for both SF-294 reports in a reporting year. The amount of cumulative dollars actually subcontracted should increase from the first SF-294 to the second SF-294. The cumulative total dollars subcontracted on the SF-294 report for the period April 1 through September 30 should match the total subcontracting efforts in each category cited on the SF-295, summary report, at the end of each reporting year.

e. The original SF-294 and SF-295 forms shall be provided to the Procurement Services cost/price analyst, and copies of each report shall be retained in the contract file.

7. For construction contracts, the Procurement Department will retain *Contractor Performance Measurement Reports* prepared by FMS for use in evaluating suppliers for future awards. Factors to be included are:

    a. Quality (i.e., work performed, materials, equipment);

    b. ESH (i.e., practices and compliances);

    c. Shop drawings and supplier data (i.e., compliance, accuracy, completeness, delivery);

    d. Schedule (i.e., met milestone dates, provided updated schedules);

    e. Responsiveness; and

    f. Any other factors necessary to ensure that only capable and reliable suppliers are used for Argonne work.

8. Options are exercised as appropriate;

9. Payments are administered in accordance with the terms of the agreement; and

10. Terminations and or cancellations are handled in accordance with the Chapter 9, Argonne Specific Requirements.

EXHIBIT 6.5-A

ARGONNE NATIONAL LABORATORY

9700 SOUTH CASS AVENUE, ARGONNE, ILLINOIS 60439

(DATE)

Attention: _____

Gentlemen:

Subject: Contract No. _____

Enclosed herewith are two (2) copies of Contract No._____for "_____" for Argonne National Laboratory. Please execute both copies and return one (1) copy to Procurement within ten (10) days after the effective date of the Contract.

Three (3) copies of Payment Bond (ANL-22) and Performance Bond (ANL-24) are enclosed. Two (2) copies of each are to be executed and returned to this office.

Also within ten (10) days, submit the following required documentation to Procurement:

1. Insurance certificates which are in compliance with the provisions of Clause 37 b., c., and d. of Appendix A, Argonne Terms and Conditions for Fixed-Price Construction Contracts (DATE). The insurance certificates must contain a ten (10) day cancellation or change clause, and include both the United States Government and the University of Chicago as additional insureds on the general liability portion.

2. Breakdown of the total contract price in accordance with Clause 28, Payments, of Appendix A .

3. Schedule in accordance with Clause 30, Schedules for Construction Contracts of Appendix A.

4. List of Subcontractors in accordance with Clause 34, Assignment and Subcontracting, of Appendix A.

5. Certificate of Labor Compliance, Form ANL-564.

In accordance with Clause SC-1 (c) of Appendix A Supplement, Argonne Terms and Conditions for Fixed-Price Construction Contracts (DATE), it is also required that an Environmental, Safety and Health (ESH) Program and Implementation Plan be prepared and sent directly to the PFS Project Manager, _____. A guide for the development of this plan is contained in Appendix A1.3 of the Appendix A Supplement.

Upon your execution and return of the contract, together with the other requirements listed above, a preconstruction meeting will be scheduled and you will be given authorization to proceed with on-site work by Procurement.

EXHIBIT 6.5-A (CONTINUED)

As indicated in the Contract, the Laboratory's Technical Representative for this project is _____, telephone (630) 252-____. Mr. _____is responsible for Shop Drawing approvals, handling of Record Drawings, Test Reports and Samples, all as referred to in the technical specifications.

The Laboratory will advise OFCCP concerning the award of this contract with a copy furnished to you.

The following documents, also enclosed, are furnished for your information and use during the term of the contract.

1. Payroll Statements (ANL-37A). (See Labor Clause)

2. Notice on Davis Bacon and Related Acts, to be posted.

The following documents are required to be submitted to Accounting with your final invoice upon completion of work for closeout and final payment:

Final Contractor's Affidavit
Final Waiver of Liens
Release of All Claims

Please address all correspondence to_____, Contract Specialist Senior, Procurement Department, Construction, Building 201. Any addition or deletion or change to the work which may result in an extra charge or a credit to the Laboratory must be approved by this office prior to proceeding with the work.

Sincerely,

Contract Specialist Senior
Procurement Department

XXX/xxx

Enclosures

6.6 CLOSEOUT GUIDELINES

A construction contract is complete when:

1. The time frame to exercise the options, if any, has expired; and

2. The project manager notifies the buyer/contract specialist in writing that the contract is ready for close out. Upon receipt of this notification, the buyer/contract specialist initiates the *Inspection and Acceptance Memorandum*, Form ANL-553, **Exhibit 6.6-A**, to ascertain that:

   (a) all work has been properly performed;

   (b) all work meets quality requirements;

   (c) all contractually required deliverables have been provided (as-built drawings, etc.);

   (d) necessary inspections were made to ensure full compliance with the specifications, drawings, and change orders, if any;

   (e) all government property furnished or generated by the contract is properly accounted for; and

   (f) all final invoices with supporting documentation, e.g., payrolls, *Release*, Form ANL-560 (**Exhibit 6.6-B**, etc.), have been provided.

3. All affected parties are advised that the contract has been closed out.

4. Document retention (Non-PARIS Documents) requirements are as follows:

   a. Procurement records of $100,000 or less shall be retained for three (3) years; and

   b. Procurement records in excess of $100,000 shall be retained for six (6) years and three (3) months.

7.1 INTRODUCTION

7.1.1 PURPOSE

To establish the procurement processes and guidelines to be used by the Procurement Department for acquisition of architect-engineer (A-E) services.

7.1.2 SCOPE

This guideline applies to the purchase of all A-E services for work at Argonne. A-E services include those professional services associated with research, development, design and construction alteration or repair of real property, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform. These include studies, investigations, surveys, evaluations, consultations, planning, programming, conceptual designs, plans and specifications, preparation of operating and maintenance manuals, cost estimating, value engineering, technical support to field inspection and other related services.

7.1.3 A-E WORK CLASSIFICATIONS

A-E work includes all the following classifications:

Title I - service is the development of the preliminary design and includes the necessary topographical and other field surveys, test bores, and other sub-surface investigations; preparation of preliminary studies, sketches, layout plans, and outline specifications; and preparation of reports including estimates of cost of the proposed project and of all structures, utilities, and appurtenances thereto; and optimization studies for total building energy conservation, life cycle cost analyses, and design and construction schedules.

Title II - service is the preparation of the definitive design and includes complete design of the work including preparation of all required preliminary and final working drawings, specifications, detailed cost estimates, bidding and construction schedules, energy conservation optimization studies, life cycle cost analyses, and assistance in surveying, analyzing and evaluating bids or proposals for construction.

Title III-A - Unless modified due to particular project requirements or conditions, Title III-A services shall include the following:

- Review and approval of samples of shop drawings;

- Preparation of change orders and detailed cost estimates of same;
- Evaluation of supplier's proposal for change orders and furnishing of recommendations for use in negotiation; and
- Preparation of record drawings (reproducible) showing construction work as actually accomplished (as-built drawings).

Title III-B - Unless modified due to particular project requirements or conditions, Title III-B services may include the following:

- Setting and maintaining governing lines and benchmarks for horizontal and vertical control of the construction work;
- Inspection of construction materials, equipment and workmanship for adherence to approved drawings and specifications;
- Monitoring and keeping daily records of weather and job site conditions, progress of work, equipment and material deliveries, manpower loading, accidents and compliance with safety requirements and other events of significance;
- Procurement of field test of construction workmanship, materials and equipment; and
- Monitoring work progress against approved schedules, presiding over the required construction meetings and preparing construction progress and forecast reports.

7.1.4 PREVENTION OF CONFLICT-OF-INTEREST

- Procurement shall not award a subcontract for construction to the architect-engineer firm or an affiliate that prepared the design. This prohibition does not preclude the award of a "turnkey" design-build subcontract so long as the subcontractor assumes all liability for defects in design and construction and consequential damages.
- Procurement shall not award both a cost-reimbursement subcontract and a fixed-price subcontract for construction or architect-engineer services or any combination thereof to the same firm where those subcontracts will be performed at the same site.

- Procurement shall not employ the construction subcontractor or an affiliate to inspect the firm's work. Procurement shall assure that the working relationships of the construction subcontractor and the subcontractor inspecting its work and the authority of the inspector are clearly defined.

7.2 PRE-SOLICITATION PREPARATION GUIDELINES

7.2.1 DOCUMENT REVIEW

The requisition document and supporting information is reviewed to ensure that the type of work (Title I, Title II, etc.) has been defined, a detailed estimate has been prepared (if required), any requirements for special provisions such as facility clearance, Organizational Conflict of Interest (OCI), selection and evaluation criteria (reference Exhibit 7.2-A, *Technical Evaluation Team Sample Criteria*), or other special provisions have been clearly identified. A Solicitation Milestone Plan (see Chapter 3) is prepared for each significant procurement.

7.2.2 SOLICITING COMPETITION

A-E (architect-engineer) service procurements differ from other acquisitions by initiation of competitive technical reviews and subsequent negotiations using an appropriate source selection process, reference Basic Source Selection Process (see Chapter 3). All A-E services acquired via competitive technical evaluations, or obtained through existing blanket A-E agreements are considered competitive.

a. For A-E requirements estimated to be $25,000 or less, identification of a single source is sufficient. At the discretion of the buyer/contract specialist additional sources known to be capable and reliable may be identified and solicited.

b. For awards in excess of $25,000, negotiation and award to an A-E supplier may be made on a noncompetitive basis when an approved Argonne National Laboratory, ANL Form 410, *Justification for Non-competitive Procurement*, has been provided.

(1) A-E requirements of $100,000 or less may be accomplished as follows:

(a) Negotiated and awarded by rotation among existing blanket A-E agreement suppliers; or

(b) Negotiated and awarded to a new A-E supplier selected after an initial review of SF-330s (architect-engineer qualifications) by technical personnel. Technical personnel must make a recommendation to the Source Selection Official (SSO). The SSO for actions less than $100,000 is the buyer/contract specialist. At the discretion of the SSO, assistance may be requested from qualified professional persons.

(2) A-E requirements estimated to be greater than $100,000 are normally negotiated and awarded by one of the following methods:

(a) They may be competitively negotiated and awarded among existing blanket A-E agreement suppliers; or

(b) They may be awarded by price competition if all suppliers are determined to be technically equal, or acceptable; or

(c) They are awarded after negotiations of an acceptable price with the top technically ranked supplier(s) recommended by the Technical Evaluation Team (TET) to the SSO. The SSO for actions over $100,000 is the Subcontracts Manager. At the discretion of the SSO, assistance may be requested from qualified professional persons (i.e., Director, Engineering Division Director, and User Division Director). Selection criteria similar to that listed at Exhibit 7.2-A may be utilized in conjunction with Basic Source Selection Process Guidelines (see Chapter 3).

7.2.3 SOLICITATION METHODS

a. A-E requirements valued at $100,000 or less may be solicited using either an RFQ or a Request for Proposal (RFP); and

b. RFPs are normally used for requirements estimated to be in excess of $100,000.

7.2.4 SOLICITATION TERMS AND CONDITIONS

a. Solicitations for A-E services shall include Appendix A, *Terms & Conditions for Fixed-Price Architect-Engineer Contracts*;

b. Exhibit 7.2-B, *Restriction Regarding Participation in Construction Work Related to the Facility Designed under This Contract* should be incorporated as appropriate;

c. Intellectual property provisions appropriate to the type of work are to be included;

d. All solicitations for A-E services which require work to be performed on-site shall include the provisions in the applicable *Instructions For High, Moderate or Low Risk Service Contractor* PD-107, PD-109 or PD-110 and forms ANL-366H, ANL-366M, or ANL-366L, *Work by Contractors on the Argonne Site - Supplemental Conditions* as prescribed in Chapter 9.2.9, *Contracts for Services*, Section 9.2.9.2; and

e. Other terms, conditions or provisions as needed.

7.2.5 SOLICITATION REPRESENTATIONS AND CERTIFICATIONS

a. Form ANL-70B, Pre-Award Booklet of Representations and Certifications or electronic representations and certifications from the ORCA website with appropriate Pre-Award Information (PD-158 or PD-159) is required for A-E awards.

b. Certification of Current Cost or Pricing Data is required for non-commercial actions expected to be $700,000 or more when an award is noncompetitive, unless one of the exemptions in Chapter 9, *Argonne Specific Requirements* applies.

c. Certification of Cost Accounting Standards is required for awards to other than small businesses expected to be in excess of $550,000, unless otherwise exempt (see Chapter 9, *Argonne Specific Requirements*).

d. As applicable, OCI (only if performing non-traditional A-E services) and facility clearance representations are obtained.

EXHIBIT 7.2-A

TECHNICAL EVALUATION TEAM SAMPLE CRITERIA

1. **General qualifications**

   a. Reputation and standing of the firm and its principal members;

   b. Experience and technical competence of the firm in comparable work;

   c. Past record in performing work for DOE, other governmental agencies, and private industry, including projects or contracts implemented with no overruns; performance from the standpoint of cost, including cost overruns (last 5 years); the nature, extent, and effectiveness of contractor's cost reduction program; quality of work; and ability to meet schedules, including schedule overruns (last 5 years), where applicable;

   d. The volume of past and present workloads;

   e. Interest of company management in the project and expected participation and contribution of top officials;

   f. Adequacy of central or branch office facilities for the proposed work, including facilities for any special services that may be required; and

   g. Geographic location of the home office and familiarity with the locality in which the project is located.

2. **Personnel and organization**

   a. Specific experience and qualifications of personnel proposed for assignment to the project, including, as required for various phases of the work:

      (1) Technical skills and abilities in planning, organizing, executing, and controlling;

      (2) Abilities in overall project coordination and management; and

      (3) Experience in working together as a team.

EXHIBIT 7.2-A (CONTINUED)

b. Proposed project organization, delegations of responsibility and assignments of authority;

c. Availability of additional competent, regular employees for support of the project, and the depth and size of the organization so that any necessary expansion or acceleration could be handled adequately;

d. Experience and qualifications of proposed consultants and subcontractors; and

e. Ability to assign adequate qualified personnel from the proposed organization (firm's own organization, joint-venture organizations, consulting firms, etc.), including key personnel and a competent supervisory representative.

3. **Cost/Price**

Cost/price information, if it is determined to use cost/price factors in the selection process.

4. **Additional Criteria**

a. Additional (or special) criteria developed by the TET for the specific project shall be considered and evaluated as may be appropriate; and

b. The relative importance of the significant evaluation factors is determined by the TET and indicated in the solicitation.

EXHIBIT 7.2-B

RESTRICTION REGARDING PARTICIPATION IN CONSTRUCTION WORK RELATED TO THE FACILITY DESIGNED UNDER THIS CONTRACT

Any firms involved in the furnishing of architect-engineering services under this contract (including their parent firms, subsidiaries or affiliates), and any successors in interest thereto, are ineligible until completion of construction of the facility to be designed hereunder to compete for or be awarded or perform any work under any contract or subcontract for the furnishing of supplies and/or services for construction work with respect to the facility designed hereunder, and the design prepared hereunder shall not incorporate the products of any such firm. Neither shall such a firm be allowed to perform any such work with its own forces. The foregoing shall not preclude such firms from providing construction management services for the facility designed hereunder, provided the contract therefor requires that all physical construction and related supply contracts or subcontractors are to be competitively bid and provided that all such firms are ineligible to bid or perform any work under such contracts or subcontracts.

7.3 SOLICITATION GUIDELINES

7.3.1 AMENDMENTS TO THE SOLICITATION

a. In the event it becomes necessary to issue an amendment to a solicitation due to changes in quantities, specifications, delivery requirements, or closing dates etc., an amendment must be issued to all prospective A-E (Architect-Engineer) suppliers being solicited if the closing date for receipt of offers has not arrived.

b. In the event it becomes necessary to re-establish a response period to a solicitation after the initial closing date has arrived, it is not necessary to include offerors who have previously indicated a "no bid/offer" response *unless the buyer/contract specialist has knowledge that the change would have resulted in an offer from any particular source had it been incorporated before the initial closing date.*

7.3.2 ADDITIONAL A-E SUPPLIERS

a. Requests by additional A-E suppliers to submit SF-330, A-E qualification information and pricing on a solicitation are handled at the discretion of the buyer/contract specialist. Normally SF-330 information is at least obtained for future A-E projects; and

b. Requests from A-E suppliers to be included in a solicitation out for pricing are normally refused.

7.3.3 CANCELLATION OF SOLICITATION

When the situation arises that requires that solicitations be canceled, all suppliers should be notified as soon as possible.

7.3.4 MODIFICATIONS/WITHDRAWAL

Quotations/proposals/bids may be modified or withdrawn by written notice from the offeror if the provided Laboratory receives such notice in writing before the date set for receipt of quotations/proposals/bids.

7.3.5 LATE QUOTATIONS/PROPOSALS/BIDS

Quotations/proposals/bids, including their withdrawal or modification, received by the Laboratory after the closing date shall be considered late. Except as otherwise specifically provided in the solicitation, the Laboratory may consider for award such late quotations or proposals if it is in the best interests of the Laboratory. All IFBs, where bids are sealed, then publicly opened, shall contain a "Late Bids" clause.

7.4 EVALUATION AND AWARD GUIDELINES

7.4.1 PROCUREMENT REVIEW

All quotations or proposals received are reviewed for completeness and conformity with the solicitation. Only responsive, responsible suppliers are considered for award. Suppliers on the list of firms debarred or suspended from doing business with the federal government are considered for award of procurements only with prior written approval of the Argonne Procurement Manager and in excess of $30,000 unless prior written notice is given to DOE.

7.4.2 TECHNICAL REVIEW

A-E solicitation responses are forwarded for technical review and evaluation. Prior to award, the number of hours proposed for each discipline, proposed hourly rates, and any proposed ancillary costs must be reviewed and accepted by the technical representative.

7.4.3 DETERMINATION OF PRICE REASONABLENESS

a. Regardless of dollar value, the buyer/contract specialist may request the assistance of the staff cost/price analyst.

b. For awards of $3,000 or less, the administrative cost of further documenting the cost/price reasonableness may more than offset the potential savings from detecting instances of overpricing. The buyer/contract specialist's analysis as documented in the contract file is adequate and sufficient documentation that the cost/price is fair and reasonable. Action to verify cost/price reasonableness should be taken when the buyer/contract specialist has reason to suspect that the cost/price **may not** be reasonable, or when acquiring an item for which no comparable cost/pricing information is readily available.

c. For awards exceeding $2,500, buyer/contract specialists will document an appropriate cost/price analysis review, using one or more of the techniques shown in Exhibit 9.3-A to support price reasonableness.

d. Cost/price analyst's review to support price reasonableness is obtained on non-competitive actions valued at $100,000 or more and all other actions in excess of $250,000.

7.4.4 OTHER EVALUATION FACTORS

a. Applicable OCI (if nontraditional A-E services are being procured) or Facility Clearance determinations must be obtained prior to award.

b. Exceptions and or deviations requested by A-E suppliers are evaluated. Legal review is required for all deviations to standard terms and conditions.

c. On an as-needed basis, pre-award audits or surveys commensurate with the dollar value and criticality of the requirement are requested.

d. Obtain an acceptable small business subcontracting plan prior to award of a contract to a large business valued at $650,000 or greater.

7.4.5 AWARD DOCUMENTS

a. For new blanket or one-time A-E awards, standard ANL contract formats are used;

b. For award actions processed against blanket A-E agreements, a task order or work order that incorporates by reference all the provisions of the blanket is normally used; and

c. The name and telephone number of the technical representative is normally specified in the award document.

d. The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

7.4.6 FILE DOCUMENTATION

a. A-E award actions will be filed and tabbed in accordance with existing guidelines for noncommercial items; and

b. A copy of all applicable task orders or work orders are maintained in blanket agreement files.

7.4.7 APPROVALS

a. For all award actions, determine approvals required by consulting appropriate guidelines prior to execution; and

b. Route procurement file for approvals. Approvals may be written or electronic in accordance with applicable procedures. Upon receipt of all required approvals, make award.

7.4.8 DISTRIBUTION OF AWARD DOCUMENTS

Executed award documents and all required attachments shall be distributed, by either electronic transmission or hard copy to all affected parties, including as a minimum:

a. Supplier,

b. Requesting division/organization,

c. Accounts Payable,

d. DOE Patents, or

e. Any other organization as required.

7.5 ADMINISTRATION GUIDELINES

1. Procurements covering A-E (architect-engineer) services are normally fixed-price agreements requiring administration after award to ensure timely receipt of all deliverables. Administration of A-E awards is the responsibility of the cognizant buyer/contract specialist.

2. A Notice to Proceed issued by Procurement, or designee, approved by the Procurement Manager and identified in the contract, is required for all high-risk on-site work. Prior to the notice to proceed for on-site high-risk work, the buyer/contract specialist (or designee) will ensure that the following documents, as applicable, have been received and approved by the Laboratory:

   a. Certificate of Insurance; and

   b. High Risk Job Safety Analysis, ANL-209H cover page signed by the Technical Representative, Environment, Safety, Health, and Quality Assurance (ESQ), and Facilities Management and Services (FMS)-Construction Safety.

3. The Technical Representative gives the contractor approval to proceed for moderate risk on-site work after all applicable ESH requirements have been reviewed and approved by the Technical Representative and the Divisional ESH Coordinator. Delivery of certificates of insurance as proof of required insurance is not required for moderate risk on-site work.

4. The Technical Representative gives the contractor approval to proceed for low risk on-site work after all applicable ESH requirements have been reviewed and approved by the Technical Representative with the support of the Divisional ESH Coordinator. Delivery of certificates of insurance as proof of required insurance is not required for low risk on-site work.

5. Buyer/Contract Specialist negotiates and prepares any changes or modifications to the award document as is required and authorized.

6. Awards valued at $650,000 or greater to large business concerns require small business subcontracting plans. Those contracts which contain small business subcontracting plans require submission of SF-294 and SF-295 reports semi-annually by the contractor via eSRS. The contract specialist/buyer shall obtain any required SF-294 or SF-295 reports under the following circumstances/conditions:

   a. An SF-294 report is due:

(1) From each contractor who has a contract which contains an *individual subcontracting plan*. A separate report is due for each contract containing such plans;

(2) Each April 30, for the period beginning October 1 through March 31 of each calendar year; and

(3) Each October 30 for the period beginning April 1 through September 30 of each calendar year.

NOTE: *SF-294 reports are not required from contractors who have submitted a commercial plan which has been approved for all contracts awarded during its fiscal year.*

b. An SF-295 report is due:

(1) From each contractor who has a contract which contains either an individual or commercial subcontracting plan; and

(2) Each October 30 for the preceding period beginning October 1 through September 30.

NOTE: *Each SF-295 which is submitted in support of a contractor's commercial plan shall indicate the percentage of dollars reported which is attributable to the Laboratory's contract(s) during the period. This information shall be provided in the specified block on the SF-295 form.*

c. The requirement for the submittal of paper versions of the Standard Form (SF) 294. Subcontracting Reports for Individual Contracts, and SF 295, Summary Subcontract Reports, as provided in FAR 52.219-9(j) will be provided in accordance with the electronic submittal of data under the Electronic Subcontract Reporting System (eSRS). http:/www.esrs.gov/

The contractor's subcontracting plan shall include assurances that the offeror will:

(1) submit the Individual Subcontracting Reports and Summary Subcontracting Reports under the eSRS, and

(2) ensure that its subcontractors agree to submit Individual Subcontracting Reports and Summary Subcontracting Reports at all tiers, in eSRS.

The contractor or subcontractor shall provide such information that will allow applicable lower tier subcontractors to fully comply with the statutory requirements of FAR 19.702.

d. The contract specialist/buyer shall assure that the reports are properly completed with all required information including:

(1) The fiscal year being reported;

(2) The DUNS number for the contractor in the block entitled "contractor's I.D. number;"

(3) The reports from Argonne contractors indicate that the submission is from a ***Subcontractor***, not a prime contractor;

(4) The subcontract number is cited the report;

(5) The goals reported agree with the small business goals contained in the subcontracting plan;

(6) The subcontracted dollars to small-disadvantaged (SDB), small women-owned (WO), hub zone (HUBZ), veteran-owned small business (VO), and service disabled veteran-owned small business (VOSD) do not exceed the dollars subcontracted to small businesses. SDB, WO, HUBZ, VO, VOSD, are all subsets of small business; and

(7) The current goals should remain unchanged for both SF-294 reports in a reporting year. The amount of cumulative dollars actually subcontracted should increase from the first SF-294 to the second SF-294. The cumulative total dollars subcontracted on the SF-294 report for the period April 1 through September 30 should match the total subcontracting efforts in each category cited on the SF-295, summary report, at the end of each reporting year.

e. The original SF-294 and SF-295 forms shall be provided to the Procurement Services cost/price analyst, and copies of each report shall be retained in the contract file.

7.6 CLOSEOUT GUIDELINES

7.6.1 REQUIREMENTS FOR COMPLETION

An A-E (architect-engineer) services award is complete when:

a. The supplier has completed the required delivery of all documents and or services, the Laboratory has inspected and accepted such documents or services, and the contractor has been paid;

b. The time frame to exercise options, if any, has expired; and

c. Both accounting and patent clearances, as applicable, have been obtained.

7.6.2 DOCUMENT RETENTION (NON-PARIS DOCUMENTS)

a. Procurement records of $100,000 or less shall be retained for three (3) years; and

b. Procurement records in excess of $100,000 shall be retained for six (6) years and three (3) months.

8.1 INTRODUCTION

8.1.1 PURPOSE

Chapter 8 outlines the aspects of the Argonne acquisition process in which DOE requires certain processes, procedures, or approvals to be followed.

8.1.2 SCOPE

This section applies to all procurement actions as noted.

8.2 PRIME CONTRACT APPENDIX "G" APPROVALS

Prior DOE written approval is required for subcontracts which fall within any of the following categories:

a. Actions which involve any one of, or combination of, the following intellectual property matters:

(1) Acquisition of software by negotiated lease or license, except when reviewed by Argonne Legal Department and provided appropriate intellectual property rights to the Laboratory and the Government or incorporate DOE-approved intellectual property appendices;

(2) Purchase of patents or patent license rights, including the payment of royalties and permits, or license fees;

(3) Recognition of proprietary rights, including the recognition of technical data as trade secrets; or

(4) Any restriction of DOE's use of data procured under a subcontract.

b. Any subcontract having a value of $5,000,000 or greater, or any subcontract modification which will cause the value to exceed $5,000,000;

c. Inter-Contractor Purchases (IPCs) expected to exceed $1,000,000;

d. Acquisitions of a foreign-made end product or component as defined in the Prime Contract articles subject to the Buy American Act unless:

(1) The acquisition of a foreign-made end product based on a fixed-price competitive award where all bidders are foreign and/or are offering foreign-made end products unless another approval threshold is exceeded;

(2) Acquisition of foreign-made end products valued at $100,000 or less for which the Laboratory has made the appropriate Buy American Act determination and evaluation unless another approval threshold is exceeded; or

(3) Acquisition meets the definition of “Commercial Information Technology Item” cited in Chapter 1, General Procurement Information, Definitions.

e. Actions prescribed under DEAR 970-5204-22 as described below:

(1) The purchase, lease, or acquisition of temporary interest through easement, license, or permit of real property;

(2) Any promise to indemnify any other party; and

(3) Termination of a lower-tier subcontract when termination is otherwise required by the Prime Contract.

f. Capital Leases: Leases for property, plant, or equipment when the lease must be classified and accounted for as a capital lease.

g. The purchase of utilities is defined as: steam, gas, electricity, telephone lines, water, and sewage.

h. Laboratory Procurement policies and procedures – All additions to, modifications or deletions of, Laboratory Procurement policies and procedures that result in substantive changes thereto shall be submitted to DOE for approval prior to implementation.

The above approval requirements do not eliminate any other requirement for review, concurrence, or approval of other proposed actions specified in the subject contract or DOE's right to require consent on any single or class of purchasing actions selected for special surveillance.

8.3 SMALL, SMALL DISADVANTAGED, WOMEN-OWNED SMALL BUSINESS, HUBZONE SMALL BUSINESS (HUBZONE), VETERAN-OWNED SMALL BUSINESS, AND SERVICE DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS

1. The Laboratory fully supports the maximum practicable participation of small (SB), small disadvantaged (SDB), women-owned small businesses (WOS), HUBZone small businesses (HUBZone), veteran-owned small business (VOSB), and service disabled veteran-owned small businesses (SDV) in support of Argonne National Laboratory's mission.

   In accordance with the Laboratory's Prime Contract with the DOE, an **annual SB, SDB, WOS, HUBZone, SDVO, and SDV-Subcontracting Plan** is submitted to DOE outlining the following considerations:

   a. A listing of items and/or commodities which the Laboratory agrees to totally or partially set aside for SB, SDB, WOS, HUBZone, VOSB, and SDV concerns will be included in an annual plan submitted to DOE.

   b. The appointment of a Small Business Liaison Officer (SBLO) to administer and be responsible to the Argonne Procurement Manager for the Laboratory's Small Business Program;

   c. Dollar values at which the Laboratory will set aside 100% for SB, SDB, WOS, HUBZone, VOSB, and SDV concerns;

   d. A dollar value where acquisitions are exclusively set aside for small business where there is a reasonable expectation that bids, competitive as to price, quality and delivery, will be obtained from two or more responsive small business concerns;

   e. Dollar values where acquisitions from Small, Small Disadvantaged, Women-Owned Small, HUBZone Small Business, VOSB, and SDV concerns may be awarded on a non-competitive sole source basis;

   f. Documentation requirements when acquisitions are not made in accordance with Laboratory set-aside thresholds;

   g. Requirements for all subcontracts (other than commercial) awarded to "large business" firms which are anticipated to exceed $650,000 ($1.5 million for construction) to include "Utilization of Small Business Concerns and Small Business and Small Disadvantaged Business Subcontracting Plan." The subcontracting plan submitted by the subcontractor must contain all elements identified in the *Small Business Subcontracting Plan* clause

unless the subcontracting plan is waived by the SBLO and approved by the respective Procurement Manager. No award may be made until the acceptable plan has been obtained. The plan shall be incorporated into the resultant contract. If a letter contract is issued, it must contain a rudimentary plan that includes all 11 elements, and it must be finalized within 90 days after issuance of the letter contract or contract definitization, whichever occurs first.

h. Report submission requirements to DOE-Chicago Operations Office (CH) for data on percentages against stated plan goals for SB-SDB-WOS, HUBZone, VOSB, SDV firms; and

i. Reporting information on contracting with SB, SDB, WOS, HUBZone, VOSB, SDV concerns as required by DOE.

2. Additional considerations addressed in the annual plan (SB-SDB-WOS, HUBZone, VOSB, SDV) are policies and directions for buyers and contract specialists to:

   a. Review small disadvantaged business directories and listings that are circulated in the Procurement Department;

   b. Participate, to the fullest extent, in meetings and conferences dealing with small disadvantaged business;

   c. Include a *Notice of Total Small Business Set-Aside* when a solicitation is limited to small business participation, and include the appropriate size standards and North American Industrial Classification (NAICS) System code in all solicitations over $25,000 which are limited to small business participation;

   d. Record the proper procurement award (PA) coding to purchase orders and other reporting documents to reflect awards to small business, small disadvantaged and women-owned small business concerns; and

   e. Ensure the required Individual Subcontracting Reports and Summary Subcontracting Reports under the Electronic Subcontract Reporting System (eSRS) are submitted by subcontractors whose contracts include a subcontracting plan and evaluate performance versus goals, and if substandard, request remedial action.

3. Procurement management will evaluate progress against all SB-SDB-WOS, HUBZone, SDV goals on a regular basis, take any necessary corrective action to meet the stated goals, and

ensure that all required reports (formerly SF-294 and SF-295) are submitted to DOE electronically via the Electronic Small Business Reporting System (eSRS).

4. The Laboratory shall notify the DOE one year in advance of the expiration of any of its subcontracts valued at $5 million or above, or if applicable, one year prior to the exercise of an option and/or the option notification requirement, if any, contained in the subcontracts. The DOE will review this information and the requirements of the Laboratory to determine the appropriateness for small business opportunities.

8.4 GOVERNMENT SUPPLY SOURCES (GSS)

1. The Laboratory has been authorized by DOE, under Prime Contract No. DE-AC02-06CH11357, to use GSS in the acquisition of materials, supplies, equipment, computers and related items, and non-personal services, when it is in the best interest of the Laboratory to do so.

2. All acquisitions through mandatory GSS [including, but not limited to authorized Federal helium suppliers, Federal Prison Industries (FPI), and National Industries for the Blind/National Industries for the Severely Handicapped (NIB/NISH)] are considered competitive, and are based upon fair and reasonable pricing.

3. General Services Administration/Federal Supply Schedule (GSA/FSS) procurements require that a minimum of three (3) GSA/FSS schedules must be compared in order to consider the award competitive.

4. GSA/FSS pricing for supplies and services are considered reasonable. However—

   - Acquisitions valued in excess of the Simplified Acquisition Threshold, currently $150,000.00, buyers/specialists shall seek reduced prices from the GSA/FSS vendor;

   - Acquisitions exceeding the maximum order limitation specified on the vendor's GSA/FSS schedule require that buyers/specialists should compare pricing of at least two (2) additional GSA vendors where possible, and request discounted pricing.

   - Upon receipt of the vendor's proposal to perform the statement of work, buyers/contract specialists shall obtain from the technical representative a statement of cost realism that asserts that the numbers of hours and labor categories proposed are realistic and appropriate for the requirements.

5. All requirements from GSA/FSS schedules must be supported with a properly completed and approved ANL-451, Purchase Requisition.

8.5 DIRECTED PROCUREMENTS

A directed procurement is a procurement action directed by a government agency to Argonne/Program Managers in writing. Procurement personnel will ensure that written approval is obtained from the DOE Contracting Officer prior to awarding any directed procurement.

8.6 EQUAL EMPLOYMENT OPPORTUNITY (EEO)

EEO regulations prohibit employment discrimination by subcontractors based on race, color, religion, national origin, age, or sex and require affirmative action by subcontractors to ensure equal employment opportunity.

1. EEO regulations apply to all subcontract and lower tier subcontracts unless exempt under the following conditions:

    a. Individual purchase orders and subcontracts of $10,000 or less unless the aggregate value of all purchase orders or subcontracts awarded to a contractor in any 12-month period exceeds, or can reasonably be expected to exceed, $10,000. EEO applies to indefinite quantity contracts unless the buyer/contract specialist has reason to believe that the amount to be ordered in any year under the contract will not exceed $10,000.

    b. Purchase orders and subcontracts to Federal Supply Sources (compliance with EEO has previously been determined).

    c. Purchase orders and subcontracts with state and local governments.

    d. Purchase orders or subcontracts to be performed outside the United States and for which no recruitment of workers within the United States is involved.

    e. Sales of government property.

    f. Specific subcontracts exempted by the DOE in the interest of national security.

    g. Work on or near Native American Indian reservations.

2. As applicable, oral or written Representations and Certifications must be obtained from all subcontractors prior to award of contracts, subcontracts, and purchase orders expected to exceed $10,000. Whenever ANL-70A or ANL-70B, Representations and Certifications, are required, electronic Representations and Certifications may be substituted therefore, provided the contractor is registered with the ORCA website (http://orca.bpn.gov/publicsearch.aspx). The contractor's DUNS Number is required to utilize the site. Whenever representations and certifications from the ORCA website are utilized, the form entitled Pre-Award Information, PD-158, or Pre-Award Information, PD-159, must be used as appropriate. If a contractor is not registered with ORCA, ANL-70A or ANL-70B must be used as otherwise required.

3. Completed Representations and Certifications are reviewed by the buyer/contract specialist to ensure the following supplier EEO compliance:

   a. *Affirmative Action Requirements* - A written affirmative action program is required for any non-construction supplier with 50 or more employees receiving a purchase order or contract valued at $50,000 or more. Whenever the Representations and Certifications indicate that the supplier either has not developed such a program or has not had a previous contract requiring such a program, the buyer/contract specialist will advise the supplier of this requirement in writing. The supplier has 120 days to develop a written affirmative action program.

   b. *Previous Contracts and Compliance Reports* - Whenever a supplier indicates that it has not filed all required compliance reports, the buyer/contract specialist will advise the supplier in writing of its requirements under the EEO clause.

4. EEO Pre-award clearance requirements are as follows:

   a. If an award (other than construction) may exceed $10,000,000, the buyer/contract specialist shall include a notice in any solicitation that an EEO Pre-Award Clearance must be obtained for the supplier and each first-tier subcontractor (to which award of $10,000,000 or more may be made) prior to purchase order or subcontract award.

   b. EEO Pre-award clearance is obtained from the Office of Federal Contract Compliance (OFCCP) U.S. Department of Labor through DOE.

   c. Requests for EEO clearance will be forwarded to DOE using ANL Form PD-2*, Request For Approval of Subcontract or Purchase Order Action*. Form DOE-CH 415d*, Pre-Award Review Form - IMSD.HRD* should be completed and attached to the PD-2 submitted to DOE. Procurement personnel should allow a minimum of four (4) weeks for EEO clearance.

8.7 SERVICE CONTRACT ACT OF 1965 (AS AMENDED)

The Service Contract Act of 1965, as amended, (SCA) applies to all contracts for services, including blanket agreements and basic ordering agreements, issued by the Laboratory unless exempt by statute or by direction of the Secretary of Labor. Subcontracts for services awarded by the Laboratory shall be subject to the SCA to the same extent and under substantially the same conditions as if they were awarded by DOE.

Service Contract means any contract, the principal purpose of which is to furnish services *in the United States, its possessions and territories,* except as exempted under Section 7 of the Act (Statutory Exemptions) or Section 4 of the Act, Administrative Exemptions authorized by the Secretary of Labor, and the additional exemptions provided at 29 CFR 4.123.

Service Contractor means a contractor, or subcontractor at any tier, whose contract is subject to the Service Contract Act of 1965, as amended. The term "employer" for purposes of the SCA is used interchangeably with "contractor" or "service contractor."

Service Employee means any person engaged in the performance of a contract whose principal purpose is for the provision of services other than a bona fide executive, professional, administrative, computer, or outside sales employee, as defined in Part 541 of Title 29, Code of Federal Regulations, regardless of any contractual relationship that may be alleged to exist between a contractor or subcontractor and such employee(s).

All requisitions for make-or-buy solicitations (commonly referred to as "contracting out") will be reviewed by Argonne Management for SCA applicability prior to issuing any solicitation for such services.

Service contracts shall contain mandatory provisions regarding minimum wages for awards valued at $2,500.00 or lower. Service contracts shall contain mandatory provisions regarding minimum wages and fringe benefits, safe and sanitary working conditions, notification to employees of the minimum allowable compensation, and equivalent federal employees classifications and wage rates.

8.7.1 EXEMPTIONS

1. Statutory Exemptions:

    a. Contracts subject to the Davis-Bacon Act;

b. Contracts for supplies and equipment subject to the Walsh-Healey Public Contracts Act;

c. Contracts to transport freight or personnel by vessel, airplane, bus (except charter bus), truck, express, railroad, or oil/gas pipeline *where published tariff rates are in effect;*

d. Radio, telephone, telegraph, or cable services subject to the Communications Act of 1934;

e. Public utility services;

f. Employment contract for direct services to a federal agency by an individual or individuals (direct hires); and

g. Contract postal stations for the U.S. Postal Service.

2. Administrative Exemptions Implemented by the Secretary of Labor:

a. Contracts with common carriers of mail by rail, air (except air star routes), bus, and ocean vessel on regularly scheduled runs of the carriers over established routes (not charter routes regardless of frequency) and the revenue accounts for an insubstantial portion of the revenue derived on the route from other freight or cargo;

b. U.S. Postal Service contracts with individual owner-operator for mail service if it is not contemplated that the owner-operator will hire any service employees to perform the services except for a short period of vacation time or for unexpected contingencies;

c. Contracts for the carriage of freight or personnel if subject to section 10721 of the Interstate Commerce Act;

d. The following maintenance, calibration, or repair services for 1) office information/word processing systems, 2) scientific equipment and medical apparatus/equipment *if* application of microelectronic circuitry or other technology is an essential requirement; 3) office/business machines **if performed by the manufacturer or supplier of the equipment** *provided* —

i. The services are commercial services **used regularly by non-governmental customers in substantial quantities;**

ii. The services are furnished at established catalog or market prices;

iii. The contractor uses the same wages/fringe benefits rates as for commercial customers; and

iv. The contractor certifies on ANL Form PD-120 to the above and it is incorporated into the resultant contract/order. Failure by the contractor to provide the required certification shall cause SCA to apply. NOTE: for contractors who have electronic representations and certifications on the ORCA website, Certification No. 52.222-48 provides the required certification of exemption, a copy of which should be incorporated into the contract/order in lieu of Form PD-120.

3. Additional Exemptions at 29 CFR 4.123 and FAR 22.1003-4

- Automobile or other vehicle maintenance services (other than contracts to operate a motor pool or similar facility)
- Financial services for issuance/service of cards (credit, debit, smart cards, etc.)
- Contracts with hotels/motels for conferences, including lodging and meals that are part of the conference but not extended stays or on-going contracts for lodging on an as-needed basis
- Maintenance/calibration/repair/installation (where installation is not covered by Davis-Bacon) of all types of equipment obtained from manufacturer/supplier on a sole-source basis
- Transportation services on regularly scheduled routes, except charter bus services or taxi services
- Real estate services relating to housing Federal agencies or disposing of real property owned by the Government relocation services, including real estate brokers and appraisers to assist Federal employees or military personnel in buying/selling homes (which shall not include moving/storage of household goods and related services)

4. These services may be exempted from application of the SCA provided —

- The contract will be awarded on a sole-source basis; or
- The contractor will be selected for award based upon factors in addition to price/cost ranked at least as important as cost/price, except for maintenance calibration, repair, and/or installation (where installation not subject to Davis-Bacon) services where the

services are obtained from the manufacturer/supplier of the equipment under a sole-source contract;

- The services are offered/sold regularly to non-Governmental customers in substantial quantities in the course of normal business operations;

- The contract prices are based upon established catalog or market prices as defined at 29 CFR 4.123(e)(2)(ii)(C) —

  - (A) An established catalog price is a price included in a catalog, price list, schedule, or other form that is regularly maintained by the contractor, is either published or otherwise available for inspection by customers, and states prices at which sales are currently, or were last, made to a significant number of buyers constituting the general public; and

  - (B) An established market price is a current price established in the usual course of trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or contractor.

- Each service employee who will perform the services under the contract will spend only a small portion of his/her time (a monthly average of less than 20% of the available hours on an annualized basis, or less than 20% of available hours during the contract period if the contract period is less than 1 month) servicing the Laboratory contract.

- The contractor will use the same compensation (wage and fringe benefits) plan for all service employees performing work under the contract as the contractor uses for commercial customers;

- The procurement official determines in advance, based upon the nature of the contract requirements and knowledge of the practices of likely offerors, that all or nearly all will meet the conditions set forth above. If a successor contract for the services currently exists, the procurement official shall consider the practices of the incumbent in making this decision; and

- The apparent successful offeror certifies that the conditions set forth above will be met. In competitive awards, the certification shall be obtained from all offerors in the competitive range or considered responsive.

Failure of the contractor to provide the necessary certification shall result in the procurement official inserting the appropriate Service Contract Act clauses into the award, and, if the contract will exceed $2,500.00, the appropriate wage rate determination.

8.7.2 PROCUREMENT RESPONSIBILITIES

1. Preparing a "Notice of Intention to Make a Service Contract and Response to Notice" (formerly SF-98 and SF-98a and now referred to as "electronic SF-98" or "e98").

   a. The Buyer/Contract Specialist creates a "Correspondence" folder in the Pre-Award Documents section of the negotiation folder and titles the correspondence folder as follows:

      SCA Determination PR E9-XXXXXX

   b. Obtain a copy of the appropriate wage determination online at the Department of Labor's (DOL) website located at http://www.wdol.gov/sca.aspx and download for insertion into the correspondence folder (entitled SCA Determination PR-E9-XXXXXX).

   c. Complete a PD-44, Notice of Intention to Make a Service Contract and Response to Notice (Exhibit 8.7-A), for DOE approval and include in the correspondence folder.

   d. Route for "Approval" (not general route) the above folder which includes, as applicable, the following thread in this order:

*Be sure the PA is last in the approval thread.

   e. The buyer/contract specialist's Procurement Assistant (PA) shall create a folder in their "Pending" folder of PARIS and move the SCA determination folder into this folder. **DO NOT** approve the correspondence folder until receipt of DOE's approval. Example of the folder name to create: SCA determinations.

   f. When PA receives the SCA determination folder from buyer/contract specialist, PA will email the folder contents to DOE. The PA shall maintain a log of all SCA determination transmittals.

   g. After PA receives DOE's approval, as signed on the PD-44 form, the PA will scan a copy of PD-44 and drop into the appropriate SCA determination folder belonging to the

buyer/contract specialist. At this time, the PA will approve the SCA determination folder and route to the appropriate buyer/contract specialist.

2. The PD-44 Notice of Intention to Make a Service Contract and Response to Notice should be submitted as early as possible in advance of the events in accordance with the following schedule:

   (1) For recurring or known requirements-between sixty-five (65) and one hundred twenty-five (125) days; or

   (2) For non-recurring or unknown requirements-not later than thirty-five (35) days.

   c. If exceptional circumstances prevent the furnishing of the PD-44 within the time frames indicated above, the PD-44 shall be submitted to DOE as soon as practicable with an explanation of the special circumstances which prevented timely submission.

3. Solicitations

   Buyer/contract specialists will include in solicitations:

   (1) A statement on the face of Request For Proposal (RFP) or Request For Quotation (RFQ), drawing attention to requirements of Service Contract Act of 1965, as amended;

   (2) The applicable Service Contract Act clause; and

   (3) The response (if available) to the PD-44 (i.e., the applicable wage determination).

4. Awards

   Buyer/contract specialist will incorporate into any resultant contract or order the following:

   (1) The applicable wage determination approved by DOE Contracting Officer on PD-44;

   (2) Listing of Comparable Federal Wages if provided by DOE under PD-44;

(3) Comparable Federal Fringe Benefit listing if provided by DOE under PD-44;

(4) WHP-1313, (*Notice to Employees Working on Government Contracts* (Exhibit 8.7-B), in award package exceeding $2,500 for appropriate posting prior to performance of contract;

(5) The *Service Contract Act (Short Form)* (see Chapter 10, Appendices/Additional Clauses) will be included in the appropriate awards less than $2,500; and

(6) The *Service Contract Act Clause* in every contract *in excess of* $2,500 which has as its principle purpose the furnishing of services through the use of services employees.

Note: *If a wage determination has not been approved by DOE prior to date of award, the following paragraph may be added to the Service Contract Act contractual provision to assure that the contractor's obligations under the Act are fulfilled:*

It is recognized that some or all of the categories of employees to be furnished under this contract are "service employees" as defined in the Service Contract Act of 1965, as amended. It is further understood that a determination has been sought from the Secretary of Labor, or his authorized representative, regarding minimum monetary wages and fringe benefits that must be paid and provided such employees under the Service Contract Act, but that said determination has not been received. At such time that such determination becomes available, it will be made a part of the contract and the Contractor agrees to pay, as a minimum, the wages and fringe benefits set forth therein in accordance with the provisions of the Service Contract Act of 1965 as amended, retroactive to the effective date of this contract. In the event that any classification of employee(s) which the contractor will utilize in the performance of the contract are not included on the resultant wage rate determination, the contractor must seek a wage rate determination from the Secretary of Labor for these employees before they begin any work under the contract.

EXHIBIT 8.7-A

Argonne NATIONAL LABORATORY

Notice of Intention to Make
A Service Contract and Response to Notice

Contract No. DE-AC02-06CH11357

Date: Buyer/CS: Email: RFP No.: Est. Amt: $	Wage Determination No.: _____ (See attached WD.) Revision No.: _____ Date of Last Revision: _____ Places of Performance (State): _____ County: _____
☐ Standard Occupation Code(s): _____	Position(s): _____
☐ Non-Standard Occupation(s): Position(s): Description:	
☐ Collective Bargaining Agreement (Attached).	
☐ Request for Authorization of Additional Classification and Rate (SF-1444 attached).	
Scope of Work: Estimated Period of Performance: Comments:	

Please return signed form to:
Bldg. 201 _____
Procurement Assistant

(BELOW TO BE COMPLETED BY DOE)

DOE Approval(s): _____ ☐ Approve ☐ Reject Date: _____

_____ ☐ Approve ☐ Reject Date: _____

☐ NOTICE NO.: (If applicable) _____ ☐ Comments:	

PD-44 (Feb. 3, 2009)

EXHIBIT 8.7-B

Notice To Employees Working on Government Contracts

This establishment is performing Government contract work subject to the —

Service Contract Act
or
Public Contracts Act

During the period of performance on the contract, the following requirements must be observed:

Minimum Wages

Your rate must be at least $4.75 an hour; effective September 1, 1997, $5.15 an hour.

A higher rate may be required for *Service* contracts if a wage determination applies or if a predecessor contractor has paid a higher rate for your classification pursuant to a collective bargaining agreement. Such higher rates for *Service* contracts will be posted as an attachment to this Notice.

Fringe Benefits

Service contract wage determinations may require fringe benefit payments (or a cash equivalent). *Supply* contracts do not require fringe benefits.

Overtime Pay

You must be paid 1 1/2 times your basic rate of pay for all hours worked over 40 in a week. There are some exceptions.

Safety and Health

The work must be performed under conditions that are sanitary, and not hazardous or dangerous to the employees' health and safety.

No person under 16 years of age may be employed on a *Supply* contract.

Information

Further information on the wage provisions of the Service Contract Act or the Walsh-Healey Public Contracts Act may be obtained from the Wage and Hour Division. Information relating to the safety and health provisions may be obtained from the Occupational Safety and Health Administration. Offices are located in principal cities. Check your telephone directory under U.S. Government, Department of Labor, Wage and Hour Division or the Occupational Safety and Health Administration.

For this document and other Wage-Hour Information, visit our web site: @http://www.dol.gov/dol/esa/public/whd_org.htm.

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division
Washington, D.C. 20210

WH Publication 1313 (Revised October 1996)

(over)

EXHIBIT 8.7-B (CONTINUED)

U.S. Department of Labor

Washington, D.C. 20210

According to information submitted to this office, your firm has been awarded a contract which is subject to the Walsh-Healey Public Contracts Act or the Service Contract Act. The purpose of the discussion below is to advise contractors of the principal provisions of these acts.

Walsh-Healey Public Contracts Act

General Provisions — This act applies to contracts which exceed or may exceed $10,000 entered into by any agency or instrumentality of the United States for the manufacture or furnishing of materials, supplies, articles, or equipment. The act establishes minimum wage, maximum hours, and safety and health standards for work on such contracts, and prohibits the employment on contract work of convict labor (unless certain conditions are met) and children under 16 years of age. The employment of homeworkers (except handicapped clients of bona fide sheltered workshops) on a covered contract is not permitted. The act also requires the keeping of certain records.

In addition to its coverage of prime contractors, the act under certain circumstances applies to secondary contractors performing work under contracts awarded by the Government prime contractor.

All provisions of the act except the safety and health requirements are administered by the Wage and Hour Division.

Minimum Wage — Covered employees must currently be paid not less than $4.75 an hour; effective September 1, 1997, $5.15 an hour.

Overtime — Covered workers must be paid at least one and one-half times their basic rate of pay for all hours worked in excess of 40 a week. Overtime is due on the basis of the total hours spent in all work, Government and non-Government, performed by the employee in any week in which covered work is performed.

Child Labor — Employers may protect themselves against unintentional child labor violations by obtaining certificates of age. State employment or age certificates are acceptable.

Safety and Health — No covered work may be performed in plants, factories, buildings, or surroundings or under work conditions that are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in the performance of the contract. The safety and health provisions of the Walsh-Healey Public Contracts Act are administered by the Occupational Safety and Health Administration.

Posting — During the period that covered work is being performed on a contract subject to the act, the contractor must post copies of Notice to Employees Working on Government Contracts in a sufficient number of places to permit employees to observe a copy on the way to or from their place of employment.

Responsibility for Secondary Contractors — Prime contractors are liable for violations of the act committed by their covered secondary contractors.

Service Contract Act

General Provisions — The Service Contract Act applies to every contract entered into by the United States or the District of Columbia, the principal purpose of which is to furnish services in the United States through the use of service employees. Contractors and subcontractors performing on such Federal contracts must observe minimum wage and safety and health standards, and must maintain certain records, unless a specific exemption applies.

Wages and Fringe Benefits — Every service employee performing any of the Government contract work under a service contract in excess of $2,500 must be paid not less than the monetary wages, and must be furnished the fringe benefits, which the Secretary of Labor has determined to be prevailing in the locality for the classification in which the employee is working or the wage rates and fringe benefits (including any accrued or prospective wage rates and fringe benefits) contained in a predecessor contractor's collective bargaining agreement. The wage rates and fringe benefits required are usually specified in the contract. If no wage determination has been made applicable to the contract, employees performing work under the contract must be paid not less than the minimum wage provided in section 6(a)(1) of the Fair Labor Standards Act, currently $4.75 an hour; effective September 1, 1997, $5.15 an hour.

All employees doing work necessary to the performance of the contract must also be paid not less than the minimum wage provided in section 6(a)(1) of the Fair Labor Standards Act.

Service contracts which do not exceed $2,500 are not subject to prevailing rate determinations or to the safety and health requirements of the act. However, the act does require that employees performing work on such contracts be paid not less than the above minimum wage rate provided by section 6(a)(1) of the Fair Labor Standards Act.

All provisions of the act except the safety and health requirements are administered by the Wage and Hour Division.

Overtime — Service contracts in excess of $100,000 which may require or involve the use of laborers or mechanics require the payment of overtime under the Contract Work Hours and Safety Standards Act at time and one-half the basic rate for all hours worked on the contract in excess of 40 a week.

Safety and Health — The act provides that no part of the services in contracts in excess of $2,500 may be performed in buildings or surroundings or under working conditions, provided by or under the control or supervision of the contractor or subcontractor, which are unsanitary or hazardous or dangerous to the health or safety of service employees engaged to furnish the services. The safety and health provisions of the Service Contract Act are administered by the Occupational Safety and Health Administration.

Notice to Employees — On the date a service employee commences work on a contract in excess of $2,500, the contractor (or subcontractor) must provide the employee with a notice of the compensation required by the act. The posting of the notice (including any applicable wage determination) contained on the reverse in a location where it may be seen by all employees performing on the contract will satisfy this requirement.

Notice in Subcontracts — The contractor is required to insert in all subcontracts the labor standards clauses specified by the regulations in 29 CFR 4 for Federal service contracts exceeding $2,500.

Other Obligations — *Observance of the labor standards of these acts does not relieve the employer of any obligation he may have under any other laws or agreements providing for higher labor standards.*

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division
Occupational Safety and Health Administration

U.S. GOVERNMENT PRINTING OFFICE: 1998 — 421-[illegible]

Additional Information — *Additional information and copies of the acts and applicable regulations and interpretations may be obtained from the nearest office of the Wage and Hour Division or the National Office in Washington, D.C. Information pertaining to safety and health standards may be obtained from the nearest office of the Occupational Safety and Health Administration or the National Office in Washington, D.C.*

8.8 DAVIS-BACON ACT

1. The Davis-Bacon Act is applicable to all Argonne subcontracts and/or purchase orders, the cost of which is anticipated to exceed $2,000 for the construction, alteration, and/or repair (including painting and redecorating) of public buildings or public works.

2. Buyer/contract specialists are responsible for:

   a. Ensuring a DOE approved DOE-CH Form 164, *Request For Davis Bacon Act Determination* is on file prior to award;

   b. Ensuring appropriate Davis-Bacon Labor Standard Requirements are included in all solicitations and contracts for construction work for which the cost is estimated to exceed $2,000;

   c. Assuring that wage rates are attached to applicable solicitations and contract documents for the appropriate geographic area by using the Appendix-Wage Rates U.S. Department of Labor Wage Determination for Work at Argonne, DuPage County, Illinois, Exhibit 8.8-A**;**

   d. Issuing amendments to solicitations if a modified general wage determination is received ten (10) or more calendar days prior to the date of the scheduled bid opening;

   e. Furnishing preconstruction letters calling attention to the Labor Standard Requirements to suppliers at the time of award;

   f. Discussing Labor Standards Clauses with the prospective bidders at pre-bid meetings;

   g. Informing suppliers, and any lower-tier subcontractors in attendance at the preconstruction meeting of their Labor Standard obligations under the construction contract; and

   h. Assuring compliance with the Labor Standard Provisions in construction contracts by following appropriate procurement guidelines in Chapter 6, *Construction Procurements.*

   i. Assuring that each time the Laboratory exercises an option to extend the term of a contract for construction, or a contract that includes substantial and segregable construction work, the contract must be modified to incorporate the most current wage determination.

8.9 WORK FOR OTHERS (WFO) AND COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS (CRADAS)

8.9.1 WORK FOR OTHERS (WFO)

The Procurement Services Section of the Procurement Department is responsible for negotiations of Work for Others (WFO) agreements for non-federal sponsor proposals that are approved by DOE-ASO. Procurement Services will process WFO agreements within the guidance of DOE Order 481.1C and DOE Manual 481.1-1A Chg 1, using the DOE-ASO pre-approved WFO agreement formats. The Federally Reimbursed format (approved in August 1998) will be used when a sponsor is funded by the U.S. Government, and the WFO Standard Agreement (approved in July 1998) where a sponsor is not using federal funds. All deviations will be routed through Argonne Legal for a determination of material deviation. All material deviation(s), as identified by Procurement Services and Argonne Legal, will be submitted to DOE-ASO for approval prior to execution by the Laboratory. When distribution of a fully executed WFO Agreement is made, DOE-ASO and DOE-Legal will receive copies. Work performed for DOE Management and Operating (M&O) or on-site integrating contractors is not subject to this section and is addressed in Section 8.20, *Inter-Contractor Purchases (ICP)*.

8.9.2 COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS (CRADAS)

The Procurement Services Section of the Procurement Department serves as a team member in conjunction with the Case Manager(s) from the Office of Technology Transfer Department (OTT), the Argonne Legal Staff, and the Principal Investigator(s). The team reviews programmatic area(s) in negotiation of terms/conditions and execution of CRADAs, in accordance with Clause I.96, "Technology Transfer Mission" of the Prime Contract, Procurement Policy 1.2.1 of the POM, DOE Order 483.1, the DOE CRADA Manual, and the DOE pre-approved CRADA formats. Argonne Legal Staff reviews and makes recommendations or suggests changes whenever there are deviations to the DOE pre-approved CRADA formats. Subject to prior approval by DOE-ASO, authorized Procurement personnel may execute Joint Work Statements (JWS) and CRADAs. A DOE-approved JWS is required for all CRADAs and may be submitted to DOE either sequentially or simultaneously with the CRADA. JWS packages submitted to DOE-ASO will include a certification from the participant regarding their agreement to the U.S. Competitiveness article of the CRADA. CRADA packages submitted to DOE-ASO will include a Conflict of Interest Certification, a NEPA environmental evaluation approval form, a Laboratory Funding Summary, and, as appropriate, a Report of Exception to Full Cost Recovery form.

8.10 ORGANIZATIONAL CONFLICTS OF INTEREST (OCI)

1. An OCI exists when a supplier's performance may provide it with an unfair competitive advantage on future procurements; prevent it from rendering impartial, technically sound and objective assistance or advice; or may place a supplier in a conflicting role that may bias a supplier's judgment in relation to the work being performed. The Laboratory will avoid, neutralize, or mitigate OCI before entering into contracts, agreements, and other arrangements. DOE approvals will be obtained when an OCI cannot be avoided or neutralized and the Laboratory still seeks an award with that particular supplier.

2. OCIs are not limited to any particular type of acquisition, but are most likely to apply to:

   a. Management and professional support services;

   b. Studies, analyses, and evaluations;

   c. Preparing specifications or work statements;

   d. Contractor performance of or assistance in technical evaluation or advisory and assistance services (but see FAR 37.202);

   e. Systems engineering and technical direction work performed by a contractor not having overall contractual responsibility for development or production; and

   f. Situations where a supplier obtains proprietary information from the Laboratory or the Government.

3. OCI disclosures, provisions and determinations are not required for:

   a. Acquisition actions less than $100,000;

   b. Purchase orders or subcontracts for supplies;

   c. Construction contracts;

   d. Real property leases; or

   e. Advisory or Assistance Services excluded in FAR 37.202; including:

(1) Routine information technology services unless they are an integral part of a contract for the acquisition of advisory and assistance services;

(2) Architectural and engineering services; and

(3) Research on theoretical mathematics and basic research involving medical, biological, physical, social, psychological, or other phenomena.

4. Laboratory Procurement personnel will evaluate appropriate solicitations and take every reasonable action to mitigate, avoid, or neutralize an OCI by:

a. Completing the Pre-Solicitation OCI Fact Sheet (**Exhibit 8.10-A**) for applicable acquisitions described in paragraph 2 above. If an OCI or potential OCI is not anticipated, no further action is required;

b. Including the OCI Disclosures provision (**Exhibit 8.10-B**) in solicitations if an OCI or potential OCI exists;

c. Evaluating OCI Disclosure provision with the OCI Review Sheet, (**Exhibit 8.10-C**) information received from supplier and either:

(i) Determine OCI is not applicable and take no further action;

(ii) Determine an OCI or potential OCI exists and avoid, neutralize, or mitigate by inserting the OCI clause (**Exhibit 8.10-D**) into the contract; or

(iii) Forward to DOE all pertinent disclosures, information, and review sheets for those potential or actual OCIs that cannot be avoided, neutralized, or mitigated for review and approval.

d. Obtain Argonne Legal review of any proposed OCI language other than the standard approved OCI clause.

e. Obtain the approval of the appropriate Procurement Section Manager for any action taken under paragraph 4.c above.

8.11 FACILITY CLEARANCE

Requisitioners shall identify and determine "access requirements" applicable to any purchase requisition by completion of Procurement Form (PD-152) Contract Security Classification Specification with the PARIS requisition.

Procurement personnel shall incorporate the solicitation provisions, Facility Clearance (Exhibit 8.11-A), in all solicitations requiring access to classified information or special nuclear materials.

This provision will require prospective offerors to submit Facility Clearance [Foreign Ownership, Control and Influence (FOCI)] information directly to the Department of Energy using electronic submission at https://foci.td.anl.gov/.

Procurement personnel shall annotate PARIS parameters for award processing to indicate receipt of the clearance and the date received. NO AWARD MAY BE ISSUED WITHOUT RECEIPT OF THE CLEARANCE AND ANNOTATION OF THE PARIS PARAMETERS.

8.12 WORKPLACE SUBSTANCE ABUSE PROGRAMS AT DOE SITES

1. Workplace Substance Abuse Program (WSAP) may apply to Laboratory contracts, purchase orders, and agreements with a value of $25,000 or more for performance of work at the Laboratory, or at other sites owned or controlled by DOE that involve:

   a. Positions such as pilot or firefighter, where failure of an employee to adequately discharge his or her duties could significantly harm the environment, public health or safety, or national security;

   b. Protective force personnel in positions for which authorization to carry firearms has been granted, where the duties also require potential contact with, or proximity to, the public at large;

   c. Personnel directly engaged in construction, maintenance, or operation of nuclear reactors;

   d. Transportation of certain types and/or quantities (as defined in 10 CFR 707) of hazardous materials to or from the Laboratory or another DOE site; or

   e. Access to or handling of classified information or special nuclear materials.

2. Requisitioners are responsible for determining the potential applicability of 10 CFR 707 by annotating the requisition, or providing other appropriate documentation.

3. Procurement will notify DOE reasonably in advance of, but not later than thirty (30) days prior to, the award of any subcontract that the requisitioner believes is subject to Workplace Substance Abuse provisions. The notification will include a work scope, or statement, a description of where the work is to be performed, and a listing of the job position classifications to be used in performance of the subcontract.

4. Buyer/contract specialists are responsible for obtaining a supplier agreement **(Exhibits 8.12-A and 8.12-B)** and incorporating appropriate provisions (Chapter 10, Section 10. 3, paragraph 3.g) in solicitations, contracts, purchase orders or agreements to which 10 CFR 707 applies.

5. The technical representative will monitor supplier's implementation of the WSAP for effectiveness and compliance during on-site visits at the supplier's location.

EXHIBIT 8.12-A

WORKPLACE SUBSTANCE ABUSE PROGRAMS AT DOE SITES AGREEMENT

1. The offeror/contractor acknowledges that the performance of work required by Argonne National Laboratory is subject to the provisions of 10 CFR 707.

2. The offeror/contractor hereby agrees that it has or will develop and implement prior to contract award, and maintain during contract performance, a work place substance abuse program that complies with 10 CFR 707.

CONTRACTOR (firm) _____

SIGNATURE _____

POSITION _____

DATE _____

ANL-577 (Dec-97)

EXHIBIT 8.12-B

Revised 01/96

WORKPLACE SUBSTANCE ABUSE PROGRAMS AT DOE SITES

(a) Program Implementation - the Contractor shall, consistent with 10 CFR Part 707, Workplace Substance Abuse Programs at DOE Sites, incorporated herein by reference with full force and effect, develop, implement, and maintain a workplace substance abuse program.

(b) Remedies - In addition to any other remedies available to the Laboratory or the Government, the Contractor's failure to comply with the requirements of 10 CFR Part 707 or to perform in a manner consistent with its approved program may render the Contractor subject to : The suspension of contract payments or where applicable, a reduction in award fee; termination for default; and suspension or debarment.

(c) Subcontracts

(1) The Contractor agrees to notify the Laboratory reasonably in advance of, but not later than thirty (30) days prior to the award of any subcontract the Contractor believes may be subject to the requirements of 10 CFR part 707.

(2) The Contractor shall require all subcontractors subject to the provisions of 10 CFR Part 707 to agree to develop and implement a workplace substance abuse program that complies with the requirements of 10 CFR Part 707, Workplace Substance Abuse Programs at DOE Sites, as a condition for award of the subcontract. The Contractor shall review and approve each subcontractor's program, and shall periodically monitor each subcontractor's implementation of the program for effectiveness and compliance with 10 CFR Part 707.

(3) The Contractor agrees to include, and require the inclusion of, the requirements of this clause in all subcontracts at any tier that are subject to the provisions of 10 CFR Part 707.

The official version of this Argonne National Laboratory manual is found at www.aim.anl.gov/manuals/.
This paper copy may be obsolete soon after it is printed. Contact OCF-PRO with any content questions.

8.13 FOREIGN PURCHASES

All foreign end item acquisitions valued in excess of $100,000 must be approved by DOE prior to award unless otherwise exempt (see Chapter 9.2.4, *Argonne Specific Requirements*).

8.14 OFF-SITE REAL PROPERTY LEASES

1. A real property lease means a conveyance of the right to exclusive possession of property for a definite period of time.

2. The Laboratory will:

   a. Use the space utilization guidelines governed by the Space Allocation Standards (SAS) established by the General Services Administration (GSA) which are published in the Federal Register, Part IV, General Services Administration, 41 CFR Part 101-17, *Assignment and Utilization of Space,* as modified by Federal Property Management Regulation (FPMR) Temporary Regulation D-76 when acquiring leased office space;

   b. Acquire other than office space leases (laboratory, storage, computer space, etc.) by using the temporary regulation provisions with the exception of the space utilization requirement;

   c. Use the DOE leasing procedures as a guide when acquiring leased office or non-office space;

   d. Forward to DOE-CH, Programs and Facilities Management Division, copies of all correspondence regarding real property leases that are forwarded to the Argonne Site Office (ASO).

   e. Obtain DOE approval for any leases in the Washington, D.C., National Capital Region prior to entering into any leasing agreement.

3. Laboratory procurement customers:

   a. Initiate action for acquisition of leased office space by preparing form ANL-451, *Purchase Requisition*, and obtaining all necessary approvals. The package should include a description of the desired delineated area for the lease space and a matrix of division personnel involved indicating assignment(s) and sponsor(s) (if applicable). The submittal must also include programmatic justification as well as justification for the number of personnel to occupy the proposed leased space based on the current utilization rates as defined in the temporary regulations;

   b. Interface with Facilities/Planning and Programs Management – Real Property Management – Facilities Management and Services (FMS) to assure compliance with the FPMR Temporary Regulation D-76 regarding space utilization;

c. Define requirements completely so the Procurement Department can prepare a solicitation and attempt to obtain competitive proposals;

d. Perform a technical review of proposals received;

e. Obtain guidance and input from FMS on the design of the space to assure compliance with FPMR Temporary Regulation D-76;

f. Review all floor plan submittals from the successful supplier for compliance with the requisitioning division's requirements;

g. Participate in any market surveys;

h. Obtain the necessary approvals of cognizant environment, safety, and health, and fire safety personnel for the final leased office space floor plan(s).

4. Laboratory procurement personnel are responsible for:

a. Processing the applicable purchase requisition and any change requisitions in accordance with approved Laboratory guidelines;

b. Preparing and issuing a newspaper advertisement for spaces of 10,000 square feet or more;

c. Participating in a market survey [along with requisitioner representative(s)] of potential locations for the desired space;

d. Preparing and issuing the solicitation;

e. Evaluating proposals received to include interfacing with FMS regarding space utilization;

f. Obtaining legal approval as required;

g. Verifying that all required safety and quality approvals have been obtained;

h. Providing copies of final floor plan and related Laboratory approvals to DOE Programs and Facilities Management Division (PFMD) for Realty Officer review and approval;

i. Processing packages for approval by DOE-PFMD for final award; and

j. Ensuring all off-site property leases are submitted to DOE for review and approval. Off-site property leases in excess of five (5) years, or exceeding 115% of the appraised fair rental value, also require DOE-Headquarters (HQ) review and approval. DOE-CH reviews normally take thirty (30) days, and an additional forty-five (45) days are needed if a DOE-HQ review is required.

8.15 MOTOR VEHICLES

1. The primary source for acquiring Laboratory motor vehicles is the GSA consolidated vehicle procurement program. All motor vehicle requisitions, except where local purchase is approved, must be furnished to DOE.

2. Facilities Management and Services (FMS) is responsible for the requisitioning (form ANL-451, *Purchase Requisition*) of all Argonne fleet motor vehicles. DOE authorizes the quantities and types of passenger-carrying vehicles. Vehicles are ordered in accordance with Federal Standards 122, 292, or 307.

3. FMS enters the motor vehicle requisition data into the GSA electronic on-line program known as AutoChoice (located at www.gsa.gov/autochoice) specifying type and quantity of vehicle required. The GSA AutoChoice Requisition Data On-line Content is submitted electronically through DOE to GSA.

   GSA AutoChoice Requisition Data submittal is not required for vehicles not ordered to Federal Standards. Special vehicles not in accordance with Federal Standards may be ordered by the Laboratory after obtaining GSA clearance through DOE-CH with a waiver to purchase directly.

4. Laboratory procurement personnel will:

   a. Review the ANL-451, *Purchase Requisition*, and copy of GSA AutoChoice Motor Vehicle Requisition Data On-line Contents for completeness and agreement of description and specification and adequate funding;

   b. Prepare a purchase order to GSA for "internal" purposes only to facilitate receiving, follow-up, payment, and other Laboratory functions;

   c. A copy of the purchase order accompanied by the GSA AutoChoice Motor Vehicle Requisition Data On-line Contents is submitted to DOE. DOE verifies the contents and submits the data electronically to GSA through AutoChoice.

   d. Circumstances may dictate that a local procurement be made. If so, the buyer obtains the necessary "waiver" from GSA through DOE and follows applicable Procurement Guidelines.

5. Lease/Rental of Motor Vehicles:

   Commercial vehicle lease/rental sources may be used when GSA cannot furnish the vehicle(s).

8.16 ACQUISITION OF EXCESS GOVERNMENT PROPERTY

1. Excess government property is generally available from:

   a. DOE contractor facility listings;

   b. General Services Administration (GSAXcess) listings; or

   c. Department of Defense (DOD) listings.

2. Requesting divisions are responsible for screening excess property listings to determine if any excess property is available that meets their requirements, and also should consider the budgetary effects of the acquisition of excess property. Regardless of the final "cost" of the purchase, the procurement request must have appropriate signature authority for cost associated with obtaining the property.

3. Excess government property will be obtained using the following guidelines:

   a. The completed ANL-451 requisition for excess property is sent to OCF-PRO. The comments area of the purchase order should be completed (i.e., "SHIP VIA MOTOR FREIGHT COLLECT-COMMERCIAL BILL OF LADING-TOTAL ACQUISITION VALUE = $_____-ALL LESS 100% DISCOUNT-TO BE BILLED SHIPPING AND HANDLING ONLY.")

   b. One (1) copy of the PARIS P.O. along with a copy of the EADS/FEDS Report or Excess Property Report will be forwarded to OCF-PPIM.

   c. OCF-PPIM will complete SF-122 and all other actions necessary to obtain the property.

   d. OCF-PPIM will notify OCF-PRO if the "holding agency" indicates that they cannot or will not ship any item(s) of the SF-122 so that OCF-PRO can take appropriate action.

8.17 PURCHASE OF SPECIAL ITEMS BY DOE AND ITS AUTHORIZED CONTRACTORS

1. Acquisitions of helium by DOE and its authorized contractors shall be in accordance with this section. The Bureau of Land Management Federal Helium Suppliers with In-Kind Crude Helium Sales listed at http://www.nm.blm.gov/amfo/documents/suppliers.html are the only private companies that are authorized to provide refined helium needs (whether in gaseous or liquid form) if that need meets the definition of a major requirement of helium. A major requirement of helium has been defined as 200,000 cubic feet (7,510 liters) or more per year for each helium use location (the location to which the Federal Helium Supplier delivers the refined helium [gaseous or liquid] for actual use). If the helium to be acquired does not meet the definition of a major requirement, it may be purchased from any other source.

2. Insert the clause at Section 10.3(m) in all contracts/orders that involve major helium requirements. Whenever a contractor reports usage data to the Laboratory, this information shall be furnished to DOE-ASO.

3. Purchase of the following items shall be in accordance with the provisions of the DEAR and FPMR, as shown.

	Item	Citation
a.	Motor Vehicles	908.7101
b.	Aircraft	908.7102
c.	Security cabinets	908.7106
d.	Alcohol	908.7107
e.	Helium	908.7108
f.	Fuels and packaged petroleum products	908.7109
g.	Coal	908.7110
h.	Arms and ammunition	908.7111
i.	Heavy water	908.7121(a)
j.	Precious metals	908.7121(b)
k.	Lithium	908.7121(c)
l.	Products and services of the blind and other severely handicapped	FPMR 41 CFR 101-26-701
m.	Products made in Federal penal and correctional institutions	FPMR 41 CFR 101-26-702

8.18 PRIVACY ACT CONSIDERATIONS

The Laboratory will include the Privacy Act Clause at Section 10.3, paragraph 3.h, in all subcontracts that require a system of records on individuals to be designed, redesigned, developed, maintained, or operated and subject to the Privacy Act of 1974.

8.19 NATIONAL CAPITOL REGION (NCR) LEASES

Any lease for space in the NCR requires DOE approval prior to award. Prior to forwarding any NCR lease to DOE for approval, programmatic justification will be prepared and signed by the appropriate associate Laboratory director. This documentation will be obtained and documented in the applicable acquisition file prior to any award action.

8.20 INTER-CONTRACTOR PURCHASES (ICP)

1. Inter-Contractor Purchases are normally accomplished by an Argonne Procurement Memorandum Purchase Order (MPO).

2. Any Inter-Contractor purchase of $1,000,000 and over or subsequent modifications thereto, are accomplished by an Argonne MPO, along with an Inter-Entity Work Order (PD-156), approved by a DOE Contract Officer.

3. An ICP transaction may be used only if the following criteria are met: (a) the performing contractor has special or unique experience or equipment to perform work not readily available from the private sector, (b) the nature of the work must be consistent with the scope of the performing contractor's contract, and (c) any effort subcontracted by the performing contractor must be incidental to the effort. The consortium purchasing concept whereby Procurement places orders against pre-established contracts for property or services awarded by other DOE contractors is not affected by this requirement.

4. It is Procurement's responsibility to ensure that the use of an ICP is at a fair and reasonable cost or price and properly administered (reference Section 9.3, paragraph e, of the POM).

5. For such transactions expected to exceed $1,000,000 Procurement shall appropriately document the facts that establish that the proposed ICP meets the criteria of "3." above and that the cost or price is fair and reasonable. ICPs expected to exceed $1,000,000 shall be so documented and submitted to the DOE contracting officer for written approval of the Inter-Entity Work Order (PD-156) prior to the issuance of the proposed ICP.

8.21 INDEMNITIES

Any procurement action requiring an indemnity approval by DOE-ASO will be forwarded to DOE using a PD-2 with a completed Indemnity Approval Form (**Exhibit 8.21-A**).

EXHIBIT 8.21-A

Argonne NATIONAL LABORATORY

ANL-579 (March 7, 2008)

Department of Energy Indemnity Approval

The following criteria were used in evaluating the indemnity request by . Recommend (CHECK ONE) DOE-ASO ☐ / DOE-HQ ☐ approval based upon the risks evaluated and identified below, as well as attached information (indemnity provision, statement of work, etc.)

1. YES ☐ NO ☐ The action presents a low risk of significant liability to Argonne National Laboratory, or
2. YES ☐ NO ☐ is primarily associated with the transfer of information.
3. YES ☐ NO ☐ The action is required to promote the mission of the Laboratory.
4. YES ☐ NO ☐ All reasonable possibilities (i.e., insurance) were pursued to avoid the indemnity language.
5. YES ☐ NO ☐ The indemnity language does not indemnify the award recipient for liability resulting from their own acts or omissions.
6. YES ☐ NO ☐ The indemnity stipulates that Government Liability is subject to availability of funds under the Prime Contract at the time the contingency occurs.
7. YES ☐ NO ☐ Indemnity language does not imply that Congress will, at a later date, appropriate funds sufficient to meet deficiencies under the Prime Contract.
8. YES ☐ NO ☐ The indemnity makes prudent business sense.

(If the answer to any question is "No", provide additional comments on the reverse side of this form to support subsequent DOE action)

Argonne Signature Date Extension

Argonne Signature Date Extension

DOE-ASO
☐ Approved ☐ Disapproved ☐ Forwarded to DOE-HQ for Action

DOE-ASO Signature Date Extension

1

INDEMNITY APPROVAL INSTRUCTIONS

1. Complete the Department of Energy (DOE) Indemnity Approval Form.

2. If any question is "No", additional comments should be provided on the review form.

3. Identify in the "Comments" area the name, title and phone number of the person that refused to accept insurance in lieu of indemnity language.

4. Forward the Indemnity Form with the Indemnities in article attached to ARGONNE Legal for comment and review prior to forwarding it to DOE for approval.

5. ARGONNE Management should sign out all forms via a Request for Approval of Subcontract or P.O. Action (PD-2)

6. DO NOT award until DOE direction is received.

COMMENTS:

The official version of this Argonne National Laboratory manual is found at www.aim.anl.gov/manuals/.
This paper copy may be obsolete soon after it is printed. Contact OCF-PRO with any content questions.

8.22 ADVANCE NOTIFICATION

Advance notification to DOE Contracting Officer is required in accordance with instruction from the DOE Contracting Officer.

In addition, in accordance with clause H.7 of the UChicago Argonne prime contract, Argonne will identify to DOE direct contracting opportunities valued at $5 million or above for small businesses for work presently performed under Argonne subcontracts. Argonne shall notify the DOE one year in advance of the expiration of any of its subcontracts valued at $5 million or above, or if applicable, one year prior to the exercise of an option and/or the option notification requirement, if any, contained in the subcontracts.

8.23 ACQUISITION OF UTILITY SERVICES

Acquisitions for utility services defined at FAR 41.101 shall not be procured without obtaining DOE approval.

8.24 PURCHASING FROM CONTRACTOR-AFFILIATED SOURCES

1. Purchases by the Laboratory from the University of Chicago shall be in the same manner as from other sources provided the same terms and conditions that apply to third party purchases are used, and award is made in accordance with the policies and practices regarding effective competition.

2. Purchases from the University of Chicago for performance of Prime Contract work (as distinguished from the purchase of supplies and services needed in connection with the performance of Prime Contract work) require DOE authorization in accordance with the provisions of DEAR 970.4402-3.

8.25 STRATEGIC AND CRITICAL MATERIALS

The Laboratory may use strategic and critical materials in the national defense stockpile.

8.26 PRIORITIES, ALLOCATIONS, AND ALLOTMENTS

The Defense Priorities and Allocations System (DPAS) helps to keep current national defense programs on schedule and provides an operating system that can be rapidly expanded in a national emergency. The Secretary of Energy is delegated certain authority necessary to the effective implementation of DPAS regulation (15 CFR Part 700). The Laboratory shall follow the rules and procedures of DPAS in obtaining controlled materials and other products and materials needed for contract performance. Prior approval of the Argonne Procurement Manager is required to use DPAS to obtain controlled materials and other products and materials needed for contract performance.

8.27 INTEGRATION OF ESH INTO WORK PLANNING AND EXECUTION

In accordance with Clause I.105 (DEAR 970.5223-1) of the Prime Contract with DOE, the Procurement Department shall process requirements for on-site work in accordance with the following Integrated Safety Management (ISM) principles and core functions and the criteria in Section 9.2.9 (*Contracts for Services*):

- Using flow-down ESH clauses to identify safety standards and requirements for high, moderate, and low risk work and construction work;
- Establishing procedures to identify and categorize all requisitions for on-site work based on a hazard analysis that defines the scope of work and analyzes the hazards; and
- Incorporating applicable ESH clauses into award documents to authorize and control the performance of the work.

9.1 INTRODUCTION

9.1.1 PURPOSE

This chapter provides Laboratory personnel with specific guidance to acquire goods and services in accordance with Laboratory policies.

9.1.2 SCOPE

Chapter 9 applies to all Laboratory procurement actions described therein. Guidelines for approvals and contract types, financial considerations, sourcing/awarding/soliciting procurement actions, miscellaneous topics and self-assessment/reporting requirements are described in this chapter.

9.2.1 INTERNAL PROCUREMENT DEPARTMENT APPROVALS

Table 9.2-1 provides procurement personnel with a consolidated overview of approvals for daily business activity.

Table 9.2-1 Overview of Approvals

Dollar Threshold	Topic	Commercial	Non-Commercial	Construction	A-E
Any value	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form, PD-158 or PD-159, or written BOOKLET OF PRE-AWARD INFORMATION AND REPRESENTATIONS AND CERTIFICATIONS is required.	If delivery of technical data is required, supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form, PD-159, or, form ANL-70B are required.	If delivery of technical data is required, supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form, or form ANL-70B are required.	If delivery of technical data is required, supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form, or form ANL-70B are required.	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form, or ANL-70B are required.
Any value	Unauthorized Commitments (retroactive procurements)	X	X	X	X
Any Value	All on-site work requires incorporation of applicable ES&H documentation and Ts & Cs.	X	X	X	X
Any Value	Acquisitions of real property requires approval of Procurement Manager.	X	X		
Any Value	Acquisitions denoted for the Yucca-Mountain Project (YMP) require approval of the YMP QAR.	X	X	X	X
$25.00	REJECTED MATERIAL with a cumulative value of $25 or less will be scrapped at the Laboratory and a replacement shipment will be obtained from the supplier.	X	X	X	X
$500.00	SPLIT AWARDS may be made in lieu of aggregate awards when the price differential is $500 or more.	X			

Table 9.2-1 (Continued)

Dollar Threshold	Topic	Commercial	Non-Commercial	Construction	A-E
$500.00	Award values >10% *or* > $1,000 (whichever is less of the requisition amount) require a Change Requisition, unless the value of the Change Requisition is less than $500.00.	X	X	X	X
$1,000.00	Award values >10% *or* > $1,000 (whichever is less of the requisition amount) require a Change Requisition, unless the value of the Change Requisition is less than $500.00.	X	X	X	X
$2,000.00	DAVIS-BACON applicable to actions in excess of $2,000.		Possible	X	Possible
$2,500.00	SERVICE CONTRACT ACT wage determination may be applicable to actions of $2,500 or more.	X	X		
$3,000.00	Maximum value for an AMOS DECENTRALIZED MR without Procurement approval.	X			
$3,000.00	Micro-purchase threshold	X			
$3,000.00	STATEMENT OF PRICE REASONABLENESS must be included in file for awards in excess of $3,000.	X	X	X	X
$5,000.00	Procurement record of $5,000 or less processed electronically will be RETAINED for 90 days.	X			
$5,000.00	Purchase of EQUIPMENT with a unit cost of between $5,000.00 and $24,999.99 requires the use of cost element 381.	X	X	X	X
$5,000.00	Maximum aggregate value for a FIELD CHANGE PROPOSAL is $5,000 or less.			X	
$10,000.00	EEO COMPLIANCE certification required for a supplier receiving an award in excess of $10,000.	X	X	X	X

Table 9.2-1 (Continued)

Dollar Threshold	Topic	Commercial	Non-Commercial	Construction	A-E
$10,000.00	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form PD-158 or PD-159 Oral, or Written REPRESENTATIONS AND CERTIFICATIONS are required for any award in excess of $10,000.	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information PD-158, or form ANL-70A	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information, or form ANL-70A or ANL-70B	Supplier's on-line representations & certifications information downloaded from ORCA or, form ANL-70A or ANL-70B	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form or, form ANL-70B always required.
$15,000.00	JNCP required for non-competitive requisitions in excess of $15,000, unless otherwise exempt.	X	X	X	X
$25,000.00	Purchase of EQUIPMENT may require use of Capital Equipment funds (cost element 811).	X	X	X	X
$25,000.00	INDEPENDENT COST ESTIMATE required.	X	X	X	X
$25,000.00	PD-1 and PROCUREMENT SUMMARY required for awards over $25,000 (see Section 9.4.8, paragraph a, for $25K or less).	X	X	X	X
$25,000.00	Procurement records of $25,000 or less will be RETAINED for three years.	X	X	X	X
$25,000.00	For a small business set-aside, the NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE and appropriate NAIC code must be included in a solicitation restricted to small business participation.	X	X	X	X
$25,000.00	PAYMENT BOND required for construction awards in excess of $25,000.			X	
$25,000.00	WORK PLACE SUBSTANCE ABUSE may be applicable.	X	X	X	X
$25,000.00	Procurement records in excess of $25,000 will be RETAINED for six years and three months.	X	X	X	X

Table 9.2-1 (Continued)

Dollar Threshold	Topic	Commercial	Non-Commercial	Construction	A-E
$25,000	CIS Division Director's approval of telephone-paging-radio systems, voice communications equipment, ancillary equipment and related services required for procurements in excess of $25,000 unless the total procurement consists of stand-alone components, each having a unit cost of $25,000 or less.	X	X		
$50,000.00	AFFIRMATIVE ACTION - written program required for non-construction suppliers with 50 or more employees.	X	X		X
$100,000.00	BUDGET APPROVAL required for new requisitions and change requisitions unless other-wise exempt.	X	X	X	X
$100,000.00	PERFORMANCE BOND is required for construction awards in excess of $100,000.			X	
$100,000.00	SOLICITATIONS in excess of $100,000 must be written unless justified.	X	X	X	X
$100,000.00	WRITTEN PARIS award document required.	X	X	X	X
$100,000.00 Sole Source	COST PRICE ANALYST	X	X	X	X
$100,000.00	SSO for an AE award of less than $100,000 is the buyer/contract specialist.				X
$100,000.00	Laboratory determination that an item is DOMESTICALLY UNAVAILABLE required for awards of $100,000 or less.		X	X	X

Table 9.2-1 (Continued)

Dollar Threshold	Topic	Commercial	Non-Commercial	Construction	A-E
$100,000.00	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information PD-158 or PD-159, or form written BOOKLET OF PRE-AWARD INFORMATION AND REPRESENTATIONS AND CERTIFICATIONS required for actions in excess of $100,000.	X	X	X	Supplier's on-line representations & certifications information downloaded from ORCA and Pre-Award Information form, or form Always required.
$100,000.00	SSO for an AE award of $100,000 or more is the Manager of Subcontracts.				X
$100,000.00	BID GUARANTEE or BID BOND may be required for construction awards in excess of $100,000.			X	
$100,000.00	Determine applicability of OCI.		X		X (non-traditional)
$250,000.00 Competitive	COST PRICE ANALYST	X			X
$250,000.00	Legal Review.	X	X	X	X
$550,000.00	Cost Accounting Standards (CAS) may be applicable.		X	Possible	X
$650,000.00	SMALL BUSINESS, SUBCONTRACTING PLAN may be applicable.		X		X
$650,000.00	CERTIFICATE OF CURRENT COST OR PRICING DATA may be required.		X	Possible	X
$750,000.00	Significant Procurement; a SOLICITATION MILESTONE PLAN is required.	X	X	X	X
$1,000,000.00	PREAWARD AUDIT required prior to award of a contract of $1,000,000 or more.	X	X	X	X
$1,500,000.00	SMALL BUSINESS, SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN required for a **construction contract** awarded to other than a small business.			X	

Table 9.2-1 (Continued)

Dollar Threshold	Topic	Commercial	Non-Commercial	Construction	A-E
$3,000,000.00	JNCP required for non-competitive non-construction awards in excess of $3,000,000 to 8(a) firms.	X	X		X
$5,000,000.00	JNCP required for non-competitive awards in excess of $5,000,000 to 8(a) firms.	X	X	X	X
$5,000,000.00	DOE approval required for any subcontract having a value of $5,000,000 or greater, or any modification that will cause the value to exceed $5,000,000.	X	X	X	X
$10,000,000.00	EEO COMPLIANCE REVIEW required for actions in excess of $10,000,000.	X	X		X

9.2.2 LEGAL REVIEW

a. Legal review is required for:

(1) Any procurement action (including change orders, supplemental agreements, modifications, or agreements) with an estimated or actual value of $250,000 or more. ***(Note: Funding actions including pre-priced options within the original, total estimate of cost do not require additional legal review);***

(2) Any modification to a procurement originally less than $250,000 which raises the estimated or actual value of the procurement to that amount or above. Any modification that alone, or when added to modifications not previously submitted for legal review, increases the estimated or actual value of the original procurement by $250,000 or more;

(3) Any procurement proposing deviation from a standard Laboratory provision including intellectual property provisions and the Argonne Standard Licensing Agreement entitled *License Agreement for Use of Proprietary Software;*

(4) Use of any non-standard type of agreement (e.g., letter contract);

(5) Any procurement action proposing to settle a claim, whether in favor of or against the Laboratory;

(6) Any procurement involving work on overseas nuclear reactors;

(7) All requests for internet domain name registration;

(8) Any procurement action proposing the assignment of claims;

(9) Any termination of a procurement, whether for default of the supplier or for convenience of the Laboratory;

(10) Any case when the supplier indicates on the Representations and Certifications that licensed or intellectual data will be used and its use is related to limitations on an element of the deliverable(s) of the contract, purchase order or agreement;

(11) In any case where a supplier identifies data in a proposal to Argonne, that information contained therein is proprietary.

(12) Any additional contract language to avoid or mitigate potential organizational conflicts-of-interest;

(13) Award protests and alleged mistakes in bid.

(14) Legal review is optional in all other cases. It is expected that procurement personnel will exercise judgement and discretion in determining whether the importance of the action, or the magnitude of the risk, is significant enough to warrant legal review under this paragraph; and

b. Buyer/contract specialist will prepare form ANL-475, Request For Legal Review (Exhibit 9.2-A), (including all documentation necessary to understand the problem) and choose an appropriate course of action as described below:

(1) Route the form ANL-475 to the appropriate manager for review and signature prior to submission to Laboratory legal counsel;

(2) In the event any differences or misunderstandings exist between the attorney and buyer/contract specialist, attempt resolution through personal discussions;

(3) Unresolved differences are submitted, with rationale and a summary of discussions to the appropriate manager for resolution;

(4) Buyer/contract specialist will negotiate and/or incorporate legal recommendations or resolutions in the terms and conditions of the procurement; and

(5) Procurement personnel will document resolution of all legal recommendations in procurement files.

9.2.3 ASSIGNMENT OF CLAIMS

a. Standard Laboratory contract terms and conditions preclude assignments of contracts or interests therein without the consent of the Laboratory. The general policy of the Laboratory is not to authorize assignments. However, assignments to a third party, i.e., a bank, of a right to receive payments which are, or may become, due under a contract, purchase order, or agreement (generally amounting to not less than $25,000) may be authorized on an exception basis.

Where assignment is authorized, the Laboratory shall treat any right of set off in accordance with DEAR 932.803.

b. When a request for an assignment of claim is received:

(1) The buyer/contract specialist will review the assignment agreement to assure it has been executed by the supplier and financial institution and is not subject to reduction or set off and shall obtain the concurrence of Laboratory legal counsel that the assignment is acceptable;

(2) If the request is not in proper form, executed, or does not contain a limitation to reduction or set off, it will be returned to the supplier by the buyer/contract specialist identifying the deficiencies;

(3) Upon receipt of an acceptable request for an assignment, a bilateral modification will be issued acknowledging the assignment, thereby authorizing payment to the assignee; and

(4) In conforming the modification, a copy of the assignment notice will be provided to Accounts Payable in addition to normal conforming documentation.

9.2.4 FOREIGN PURCHASES

9.2.4.1 Buy American Act and Executive Order 10582

This subpart implements the Buy American Act (41 U.S.C.10) and Executive Order 10582, December 17, 1954 (as amended). It applies to non-commercial supply contracts with line items exceeding $3,000; contracts for non-commercial services that involve the furnishing of supplies when the supply portion of the contract exceeds $3,000; and contracts for construction, alteration, or repair of any public building in the United States. Argonne Procurement shall make the Buy American determination for all applicable procurements and shall obtain prior DOE approval for all foreign purchases in excess of $100,000.

(1) Supplies: The Buy American Act requires that only domestic end products be acquired for public use, except articles, materials and supplies:

(a) For use outside the United States;

(b) For which the cost would be unreasonable, as determined in accordance with Section 9.2.4.2 below;

(c) For which the US Department of Energy (DOE) determines that domestic preference would be inconsistent with the public interest;

(d) That are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities, of a satisfactory quality (see FAR 25.108); or

(e) That meet the commercial information technology item definition and are acquired using commercial acquisition procedures.

(f) That is a domestic manufactured commercially available off-the-shelf (COTS) item(s).

(2) Construction:

(a) The Buy American Act requires that only domestic construction materials be used in construction in the United States, except when:

(i) The cost would be unreasonable, i.e., the cost of domestic construction material exceeds the cost of foreign construction material by more than 6 percent, unless the DOE determines a higher percentage to be appropriate (see Executive Order 10582);

(ii) The Laboratory Procurement Official determines the construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality (see FAR 25.108);

(iii) The Laboratory Procurement Official determines that application of the restrictions of the Buy American Act to a particular construction material would be impracticable; or

(iv) The DOE determines that application of the restrictions of the Buy American Act to a particular construction material would be inconsistent with the public interest. Under this authority, the DOE may have agreements with foreign governments that provide blanket exceptions to the Buy American Act (e.g., North American Free Trade Agreement [NAFTA]).

(b) Unless the Laboratory Procurement Official determines that insufficient time is available, offerors should request determinations regarding the inapplicability of the Buy American Act in time to allow determination before submission of offers.

(c) When it is determined for any of the reasons stated in this section that certain foreign construction materials may be used, the excepted materials shall be listed in the contract. Findings justifying the exception shall be documented in the Procurement file.

(d) For construction contracts with an acquisition value in excess of $6,909,500. Refer to FAR 25.202(d) and obtain Argonne Legal assistance to determine applicability of NAFTA or any other statutes affecting evaluations.

9.2.4.2 Evaluating Offers

(1) Supplies:

(a) Unless the DOE determines otherwise, the offered price of a domestic end product is unreasonable when the lowest acceptable domestic offer exceeds the lowest acceptable foreign offer (including transportation to destination and duty) by:

(i) More than 6 percent, if the domestic offer is from a large business; or

(ii) More than 12 percent, if the domestic offer is from a small business concern.

(b) The evaluation in paragraph (a) of this section shall be applied on an item-by-item basis or to any group of items on which award may be made as specifically provided by the solicitation.

(2) Construction Materials:

(a) Offerors proposing to use foreign construction material other than that listed by the Laboratory in the solicitation or excepted under NAFTA must provide the information required by paragraphs (c) and (d) of *the Buy American Act – Construction Materials* clause.

(b) Unless DOE regulations specify a higher percentage, the Laboratory will add to the offered price 6 percent of the cost of any foreign construction material proposed for exception from the requirements of the Buy American Act based on the unreasonable cost of domestic construction materials. If the evaluation of offers results in a tie between an offer including foreign construction material excepted on the basis of unreasonable cost, as evaluated, and an offer including solely domestic construction material or other foreign construction material that is excepted by the Laboratory in the solicitation or subsequently excepted on a basis other than unreasonable cost, award shall be made to the offeror that submitted the latter offer.

(c) Offerors also may submit alternate offers based on use of equivalent domestic construction material to avoid possible rejection of the entire offer, if the Laboratory determines that an exception permitting use of a particular foreign construction material does not apply.

(d) If, upon evaluation of an offer, the Laboratory determines that an exception to the Buy American Act applies, and the Laboratory accepts that offer, the excepted material shall be listed in the contract at paragraph (b)(2) of *the Buy American Act – Construction Materials* clause.

9.2.4.3 Awards

(1) Purchase order awards for commercial items to U.S.A. firms furnishing foreign-made end products shall include the standard form ANL-71COM*, Argonne Purchase Order Terms and Conditions For Commercial Items*; and

(2) Purchase order awards for commercial items to foreign firms shall include the standard form ANL-71-COM, with the following clauses normally deleted:

(a) *Equal Opportunity*: Not required where all the work is to be performed outside the United States by employees who were not recruited within the United States;

(b) *Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era*: Not required for employment openings which occur and are filled outside the fifty states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands;

(c) *Affirmative Action for Workers with Disabilities*: Not required for work to be performed outside the United States by employees who were not recruited within the United States;
Note*: In form ANL-71COM, the above listed clauses are referenced under the clause entitled "Statutes or Executive Orders."*

(d) *Patent Indemnity*: Not to be used where both performance and delivery are to be outside the United States, its possessions, or Puerto Rico, unless the award indicates that the supplies are ultimately to be shipped into the United States, its possessions, or Puerto Rico;

(e) *Authorization and Consent*: Not to be used where both complete performance and delivery are to be outside the United States, its possessions, or Puerto Rico; and

(f) *Notice and Assistance Regarding Patent and Copyright Infringement*: Not to be used where both performance and delivery are to be outside the United States, its possessions, or Puerto Rico, unless the contract indicates that the supplies are ultimately to be shipped into the United States, its possessions, or Puerto Rico;

(g) *Other Compliances*: Not to be used where both complete performance and delivery are to be outside the United States, its possessions, or Puerto Rico; and

(h) *Environmental Protection*: Not to be used where both complete performance and delivery are to be outside the United States, its possessions, or Puerto Rico.

(i) *Prohibition of Segregated Facilities:* Not required where all the work is to be performed outside the United States by employees who were not recruited in the United States.

(3) For a contract with a foreign firm including one of the *Argonne Appendix A Terms and Conditions*, the terms and conditions shall be modified by deleting the same clauses as shown under (2) above and the following:

(a) *Convict Labor:* Not required for performance outside any state, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territory of the Pacific Islands;

(b) *Clean Air and Water:* Does not apply to the use of facilities located outside the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(c) *Small Business Concerns, HUBZone Small Business Concerns, Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals, and Small Business Concerns Owned and Controlled by Women:* Not required in contracts to be performed outside any state, territory, or possession of the United States, the District of Columbia, or Puerto Rico;

(d) *Contract Work Hours and Safety Standards Act – Overtime Compensation:* Not required when the work is to be performed solely within a foreign country or within a territory under United States jurisdiction other than a State, the District of Columbia, Puerto Rico, the Virgin Islands, Outer Continental Shelf Lands, American Samoa, Guam, Wake Island, and Johnston Island;

(e) *Walsh-Healey Public Contracts Act:* Not required if no work will be performed within the United States, Puerto Rico, or the Virgin Islands or for any commercial item;

(f) *Buy-American Act:* Supplies under EC or NAFTA Act;

(g) *Small Business Subcontracting Plan;*

(h) *Preference for Privately-Owned U.S.-Flag Commercial Vessels* (only if it is known that the funding used is being provided under the Foreign Assistance Act of 1961).

(i) *Prohibition of Segregated Facilities:* Not required where all the work is to be performed outside the United States by employees who were not recruited in the United States.

(j) *Toxic Chemical Release Reporting:* Not required for facilities located outside the United States or its territories or protectorates.

(4) In addition, the following modifications to *Appendix A Terms and Conditions* are required when contracting with foreign firms:

(a) Delete the Federal, State, and Local Tax clause (Firm Fixed-Price) or the State and Local Tax clause (Cost Reimbursement of Labor Hour) and utilize one of the following, as appropriate for the type of contract (Cost-Reimbursement or type of Firm Fixed Price) and the type of customer:

- Taxes – Foreign Fixed-Price Contracts
- Taxes – Fixed-Price Contracts with Foreign Governments
- Taxes – Foreign Cost-Reimbursement Contracts
- Taxes – Cost-Reimbursement Contracts with Foreign Governments

(b) Add the *Inconsistency between English and Translation of Contract Provision*; and

(c) If a service or supply contract is anticipated, consider the use of the following clauses as deemed necessary;

(i) Service Contract Clauses

- Warranty of Services
- Inspection of Services – Fixed Price
- Inspection of Research and Development – Fixed Price

- Inspection of Research and Development (Short Form)
- Inspection of Research and Development – Cost Reimbursement
- Inspection of Services – Cost Reimbursement
- Inspection – Time and Materials – Labor Hour

(ii) Supply Contract Clauses

- Warranty of Supplies of a Complex Nature

(5) The purchase order, subcontract or agreement should specifically require that consular and commercial invoices accompany the shipment on awards to foreign firms.

Note: On shipments that are F.O.B. shipping point (foreign country) include the phrase "applicable customs, duty and shipping charges are the responsibility of the Laboratory and are not included in the stated prices" on the purchase order, subcontract or agreement.

9.2.4.4 Export Control Review and Approval

All proposed awards to foreign contractors require prior review and approval by the Manager, Export Control, Security and Counterintelligence Division, if the purchase requisition has not been previously reviewed and approved by Export Control.

9.2.4.5 DOE Approval

All actions in excess of $100,000 covering the purchase of other than domestic items **and to which the Buy American Act applies** must be submitted to DOE for approval. A request for approval should be submitted using a PD-2 *(Request For Approval of Subcontract or Purchase Order Action)* and include either of the following two paragraphs on the bottom of the form, as appropriate:

(1) ***CASE 1****: Not Produced or Manufactured in the United States in Sufficient or Reasonably Available Commercial Quantities*.

"The Laboratory submits that the item(s) of equipment described above is/are not

produced or manufactured in the United States in sufficient or reasonably available commercial quantities to enable acquisition by the Laboratory and utilization for the purpose intended. The item(s) being purchased is/are manufactured in *(insert country)*.

It is therefore requested that DOE make a non-availability determination in accordance with the provisions of subpart 925.102(b) of the DEAR."

(2) ***CASE 2:*** *Unreasonable Purchase Price from a Domestic Source.*

"The Laboratory submits that the cost would be unreasonable for the equipment described above if the equipment was procured from a domestic source. The equipment being purchased is manufactured in *(insert country)*.

It is therefore requested that DOE make an appropriate determination in accordance with the provisions of subpart 925.102 (b) of the DEAR."

9.2.4.6 Shipping Instructions

Some foreign products may already be stocked in the United States. In this case, appropriate duties and customs have already been paid and the item can be shipped to the Laboratory in the usual manner. Others being purchased may have to be shipped direct from a foreign country. In either case do not insure or incur additional costs for insurance. For those items that are to be shipped from a foreign location, the shipping instructions should be worded as follows:

Consignee: Argonne National Laboratory
9700 South Cass Avenue
Argonne, Illinois 60439
Attention: *[Insert the name of final recipient of the shipment]*
Building number and Purchase Order number (if available)
Recipient's telephone number

Notify Upon Arrival:
A.O.T. American Overseas Transport LTD
165 Hansen Court – Suite 110
Wood Dale, IL 60191
630-521-9860
Fax: 630-521-9895 (Main/Import)

Fax:	630-521-9896	(2nd/Export)
e-mail:	chi@aotgrp.com	(Main)
	expchi@aotgrp.com	(Export)
	impchi@aotgrp.com	(Import)

Provide copy of award documents to A.O.T. American Overseas Transport LTD for shipments to be via ocean freight.

9.2.4.7 Customs Clearance/Duty Free Application

(1) Materials that will be shipped from foreign locations require special considerations relating to customs clearance and duty payment. In some instances, the Laboratory may be eligible for duty-free entry of scientific instruments. The buyer/contract Specialist should compare the administrative costs of applying for duty-free entry with the U.S. Customs tariff import duty applicable to the product. As a general rule of thumb, U.S. Import duty may be estimated at 8% of the value of the imported article. Application for duty-free entry should not be filed if the tariff is estimated to be $1,000 or less. The purchase order, contract or agreement must state that commercial invoices and packing lists are to accompany the shipment. Customs clearance and duty are handled by the Laboratory's Customs Broker. To help expedite clearance and delivery, the buyer/contract specialist shall send two (2) copies of the contract document to the Laboratory's Traffic Manager.

(2) In the event a determination is made that the foreign purchase may qualify for duty-free entry, and the decision is made to apply for duty-free entry, the following action(s) is required:

(a) Sections 1, 2, 3, 4, 5b, 5c, and 12 of the duty-free application Form ITA-338P, *Request For Duty-Free Entry of Scientific Instruments or Apparatus* **(Exhibit 9.2-B)** should be completed by procurement. Section 12 should indicate Argonne National Laboratory (630) 252-5779 as Fiscal Officer. The form should be forwarded to the requisitioner via *memorandum* **(Exhibit 9.2-C)** for completion of the technical input.

(b) A copy of the contract/order shall be forwarded via facsimile transmission to A.O.T. at the number in Section 9.2.4.6 above.

(c) The completed duty-free application form (with the technical input) is sent to the Traffic Department, along with the *Abstract of Offerors*, SF 1409, **(Exhibit 9.2-D)**,

copy of supplier quotation(s), the cost code applicable to the purchase and any descriptive product literature pertaining to the imported article.

(d) The Traffic Department submits the completed application to the U.S. Customs service for consideration, and provides copies of the completed application to procurement.

(e) Upon receipt of notice from the U.S. Customs service, providing the Laboratory with the docket number and date of application transmittal to the U.S. Commerce Department, the Traffic Department forwards copies of the notice to the Laboratory's Customs Broker, procurement, and the requisitioner.

(f) In the event that the vendor is handling customs clearance, procurement will advise the supplier of the docket number and provide copies of applicable correspondence.

(g) Upon receipt of approval/denial letter of the application from the Department of Commerce, the Traffic Department will forward copies of the letter to procurement, Accounts Payable, and the requisitioner.

(3) After clearance through U.S. Customs, the shipment will be forwarded to the Laboratory by the most appropriate method for the size, type, weight and urgency of need.

EXHIBIT 9.2-B

OMB No. 0625-0037
Approval expires 5-31-01

FORM ITA-338P-LF
(REV. 6-98)

U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND
U.S. DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE

REQUEST FOR DUTY-FREE ENTRY OF SCIENTIFIC INSTRUMENTS OR APPARATUS

No waiver of duty may be granted unless a completed application form has been received (19 U.S.C. 1202; 15 CFR 301).

Mail application to:

United States Customs Service
Attention: Special Classification and Marking Branch
Washington, D.C. 20229

FOR USE ONLY BY UNITED STATES CUSTOMS SERVICE

DATE RECEIVED BY CUSTOMS	APPLICATION NUMBER

INSTRUCTIONS: This application is to be completed and submitted in accordance with Department of Commerce and Department of the Treasury Regulations, INSTRUMENTS AND APPARATUS FOR EDUCATIONAL AND SCIENTIFIC INSTITUTIONS, 15 CFR, Part 301. Review the regulations prior to preparing your application. If additional space is required for any answer, answer on a separate sheet, identify the question being answered, and attach to this form. Five copies of the application are required. **One of these copies must bear the original signature.**

1. NAME OF APPLICANT INSTITUTION	2. ADDRESS *(Street, City, State, ZIP code)*

3. THIS IS A NONPROFIT INSTITUTION ESTABLISHED FOR:

☐ Scientific purposes ☐ Educational purposes

Unless listed in the current IRS Publication 78 *(Cumulative List of Organizations)*, submit proof of Internal Revenue nonprofit status.

4. DESCRIPTION OF THE INSTRUMENT FOR WHICH DUTY-FREE ENTRY IS REQUESTED.

A. Name or type of instrument (e.g., Electron Microscope, Mass Spectrometer, Excimer Laser, etc.):

_____

B. Foreign manufacturer and country of manufacture of instrument:

_____ (Manufacturer) _____ (Country of manufacture)

C. Description: *(Check appropriate box and provide information. All instruments and accessories must be listed under 1(a), 2(a) or 3(a) below.) Note: The description of the specifications of the foreign instrument must be in a form that permits comparison with specifications of comparable domestic instruments.*

☐ (1) Standard catalogue instrument.
- (a) List the instrument and each accompanying accessory according to the foreign manufacturer's nomenclature and model number. (Attaching a bona fide order will suffice if the order fully and accurately describes the instrument and all accompanying accessories.)
- (b) Attach the foreign manufacturer's literature that fully describes the instrument (with accompanying accessories) and its guaranteed specifications.

☐ (2) Special-order variant of standard catalogue instrument that has been significantly modified according to applicant's specifications.
- (a) List the instrument and each accompanying accessory according to the foreign manufacturer's nomenclature and model number.
- (b) Attach a copy of the applicant's specifications describing any required modifications of the standard catalogue instrument.
- (c) Attach a copy of the foreign manufacturer's literature describing the instrument.
- (d) Indicate the extent to which each of the performance specifications applicable to the standard instrument has been increased or decreased in the modified instrument.

☐ (3) Instrument custom-made to applicant's specifications.
- (a) List the instrument and each accompanying accessory according to standard nomenclature.
- (b) Attach a copy of applicant's specifications.
- (c) Attach documentation or evidence showing how the foreign instrument fulfills applicant's specifications described in (b) or, if it does not, attach evidence of the extent to which the article deviates from these specifications.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Reports Clearance Officer, International Trade Administration, Room 4001, U.S. Department of Commerce, Washington, D.C. 20230 **and** to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0625-0037), Washington, D.C. 20503.

(Continue form on reverse side)

EXHIBIT 9.2-B (CONTINUED)

OMB No. 0625-0037
Approval expires 5-31-01

5. APPLICANT HAS:

☐ Already placed a bona fide order for the article. _____ (Date of order) _____ (Order no.)
(Attach the order and documents referenced on the order.)

_____
(Name and telephone number of firm from whom the foreign instrument was ordered)

☐ A firm intention, in the event of favorable action on this application, to place a bona fide order for the instrument on or before the 60th day after the decision on the application becomes final.

6. IF THE INSTRUMENT HAS BEEN DELIVERED PRIOR TO SUBMISSION OF THIS APPLICATION, SUPPLY ITS SERIAL NUMBER(S)

_____

7. PURPOSES FOR WHICH THE INSTRUMENT AND ACCOMPANYING ACCESSORIES ARE INTENDED TO BE USED. *(Provide details on separate sheet in accordance with the specified format.)*

A. Description of research purposes.

(1) The identity of the materials or phenomena to be studied.
(2) The properties of the materials or phenomena to be investigated.
(3) The experiments to be conducted.
(4) The objectives pursued in the course of the investigations.
(5) The techniques used in employing the instrument to achieve the objectives.
(6) Other relevant information.

B. Description of science-related educational purposes.

(1) Name, content and objectives of any course in which the instrument will be used.
(2) How the instrument will be used to achieve educational objectives.
(3) Other relevant information.

C. Briefly identify all intended purposes (whether or not listed above) for clients or persons who are not students or personnel of the applicant institution. (For further guidance on this question see Sections 301.4(a)(3) and 301.9(b) of the regulations.)

8. JUSTIFICATION FOR DUTY-FREE ENTRY.

A. Are there instruments of the same general category as the foreign instrument being manufactured in the United States?

B. Are there instruments not in the same general category as the foreign instrument being manufactured in the United States that could possibly be utilized for the purposes described in Question 7?

C. Non-availability of a scientifically equivalent domestic instrument. (For further guidance on this item, see Sections 301.5(d)(1) and (2) of the regulations.)

(1) Identify any domestic instruments (cite manufacturers and model numbers) with which the foreign instrument has been compared.
(2) List and describe in detail the design, performance, and operational characteristics of the foreign instrument that you consider pertinent for your intended purposes and that are not equaled or exceeded by the comparable domestic instrument.
(3) Relate each characteristic listed in (2) to one or more purposes described in Question 7 by explaining how the availability of the characteristic permits you to accomplish the relevant purpose(s) that otherwise could not be achieved. Each characteristic must (1) be clearly described or discussed and (2) be quantitatively defined (wherever possible).

D. If excessive delivery time of domestic instruments entered into the decision to order the foreign instrument, answer (1), (2) and (3), below. If not, check (4), below. (For further guidance on this question see Section 301.5(d)(4) of the regulations.)

(1) State and verify the delivery time quoted by each domestic manufacturer of an instrument comparable to the foreign instrument.
(2) State and verify the delivery time quoted by the foreign manufacturer.
(3) Explain why the delay in receiving the domestic instrument(s) would seriously impair the achievement of the intended purposes. Specify which purposes would be so impaired.
(4) ☐ Delivery time was not a determining factor in the order of the foreign instrument.

(Continue form on reverse side)

EXHIBIT 9.2-B (CONTINUED)

OMB No. 0625-0037
Approval expires 5-31-01

9. DESCRIPTION OF EFFORTS MADE BY APPLICANT TO ASCERTAIN THE AVAILABILITY OF A DOMESTIC INSTRUMENT OF EQUIVALENT SCIENTIFIC VALUE TO THE FOREIGN INSTRUMENT FOR THE INTENDED PURPOSES.

A. List names of domestic manufacturers contacted and indicate:

(1) Dates of such contacts.
(2) Whether or not you provided domestic manufacturers with a detailed description of your technical requirements.
(3) Whether or not you requested domestic manufacturers to bid on an instrument capable of fulfilling the relevant specifications of the foreign instrument without reference to cost limitations. Describe any stipulations or agreements about cost including price limitations, discounts, late delivery penalties, trade-ins, etc.
(4) Whether domestic manufacturers replied to the invitation to bid with an offer either to (a) furnish a standard catalogue instrument or (b) modify a standard catalogue instrument to the extent necessary to meet the applicant's technical requirements.

B. If you did not contact any domestic manufacturers prior to deciding to purchase the instrument, indicate the basis for concluding that no instruments manufactured in the United States were scientifically equivalent to the foreign instrument for the intended purposes.

C. Enclose copies of requests for bid, bid responses and any other relevant correspondence with the manufacturer of the foreign instrument and domestic manufacturers.

10. U.S. CUSTOMS SERVICE ENTRY INFORMATION. (See Section 301.8 of the regulations for instructions for entering the foreign instrument through Customs.)

If foreign instrument has entered the customs territory of the United States, indicate:

A. Port of entry
B. Date of entry
C. Entry number
D. Customs district

NOTE: If the instrument enters after you submit your application, please supply the above information to:
Director, Statutory Import Programs Staff
International Trade Administration
U.S. Department of Commerce
Washington, D.C. 20230

Failure to provide entry information may result in delay in refund of duty.

11. CERTIFICATION—The official under whose direction and control the foreign instrument will be used hereby certifies that all statements in this application are true or believed to be true; and further, that these statements were made with the knowledge that willful false statements are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code.

TYPED NAME AND TITLE OF OFFICIAL UNDER WHOSE DIRECTION AND CONTROL THE FOREIGN INSTRUMENT WILL BE USED.	TELEPHONE NUMBER		
	Area Code	Number	Ext.

SIGNATURE *(Original signature on one copy)*	DATE

12. TYPED NAME, TITLE AND ADDRESS OF FISCAL OFFICER OF APPLICANT INSTITUTION	TELEPHONE NUMBER		
	Area Code	Number	Ext.

NOTE: Check whether you wish official correspondence concerning this application to be addressed to the official under whose control the instrument will be used or to the institution's fiscal officer:

☐ To official controlling the instrument ☐ To fiscal officer

(Continue form on reverse side)

EXHIBIT 9.2-C

(Jan-99)

DATE:

TO:_____ DIVISION:_____ BLDG:_____

FROM: PROCUREMENT (_____, Ext. 2-_____)
Buyer/Contract Specialist

SUBJECT: DUTY-FREE ENTRY OF SCIENTIFIC INSTRUMENTS OR APPARATUS

The item(s) you requested on Purchase Requisition No. _____ is not available (competitively) from a domestic manufacturer. Purchasing this item from a foreign manufacturer will incur an import duty fee of approximately $_____. Unless a request for Duty-Free Entry of Scientific Instruments or Apparatus is applied for, and granted, you may miss the opportunity of savings.

To achieve this savings for Argonne and, specifically, your division, you will be required to provide our Traffic Department with the following information on the attached two copies of Form ITA-338P, "Request for Duty-Free Entry of Scientific Instrument or Apparatus," so they may apply for the duty-free entry:

1. Provide answers for item 7a
2. Provide answers for item 7c
3. Provide answers for item 8a
4. Provide answers for item 8b
5. Provide answers for item 8c
6. Sign one (1) copy of item 11

After your completion of the partially completed forms, forward the forms to my attention. I will, in turn, attach supporting documentation and then submit the application to our Traffic Department for completion and submission to Customs for consideration. Any questions regarding the forms and their completion should be directed to Traffic, on extension 2-2934.

EXHIBIT 9.2-D

ABSTRACT OF OFFERS

ISSUING OFFICE | SOLICITATION NO. | OPENING DATE | PAGE | OF | PAGES

SUPPLIES OR SERVICES *(General Description)*

NO.	NAME OF OFFEROR	ACCEPTANCE *(DAYS)	BUSINESS SIZE L	BUSINESS SIZE S	ITEM NO. **	QUANTITY **	Unit **		DELIVERY TIME**	F.O.B. POINT	REMARKS

** Indicate by an X a 60-day acceptance.*
*** Indicate by an X if offer conforms to delivery time specified in solicitation.*

I CERTIFY THAT I HAVE OPENED, READ AND RECORDED ON THIS ABSTRACT (AND CONTINUATION SHEETS, IF ANY) ALL OFFERS RECEIVED IN RESPONSE TO THE SOLICIATION.

TYPE NAME AND TITLE

SIGNATURE DATE

AUTHORIZED FOR LOCAL REPRODUCTION
Previous edition is usable

STANDARD FORM 1409 (REV. 9-88)
Prescribed by GSA – FAR (48 CFR) 53.214 (f)

9.2.5 TERMINATIONS

a. *Terminations* provide the Laboratory the ability to end contractual relationships which are no longer in the best interest of the Laboratory. The three forms of termination are no-cost, convenience and default. **Prior** to any convenience or default termination action, Argonne Legal Department advice is obtained and Procurement Manager approval is required.

b. *The Procurement Department* exercises sole authority in deciding whether to terminate a supplier even though the requisitioner normally initiates and justifies the need to terminate. Once the decision to terminate has been made, the termination process should be completed as quickly as possible in order to minimize the cost to the Laboratory. In general, it is not desirable to give a supplier any advance notice of a proposed termination unless the Procurement Department deems it necessary.

c. *Department of Energy:* Terminations estimated to exceed Appendix G limitations require DOE approval. Those terminations requiring DOE approval will be supported by accounting data and other information as deemed necessary by DOE.

d. *No Cost or Mutual Terminations* are appropriate when suppliers have not incurred costs, or costs incurred are negligible and it is in the best interests of the Laboratory.

e. *Termination for Convenience* actions are normally based on time or budgetary considerations, or any other reasons considered to be in the best interest of the Laboratory in accordance with the Termination for Convenience clause of the contract. Terminations for convenience are normally accomplished in the following manner:

NOTE: Defective default terminations are converted to terminations for convenience.

(1) Requisitioners initiate termination for convenience requests in writing and identify the reasons why termination action is deemed necessary;

(2) Procurement personnel review requests for termination and consult with Argonne Legal and procurement management;

(3) Procurement personnel issue written notices of termination signed by the Procurement Manager which state:

(a) That contract is being terminated for the convenience of the Laboratory in accordance with the Termination for Convenience clause of the contract;

(b) The effective date of termination;

(c) The extent of termination, and if partial termination, the portion of the contract to be continued; and

(d) Any special instructions.

(4) Upon receipt of a convenience termination notice, the supplier:

(e) Stops work immediately;

(f) Gives notice to lower-tier subcontractors and settles subcontractor claims;

(g) Prepares termination and inventory schedules and disposes of termination inventory as directed by the Laboratory; and

(h) Submits settlement proposals supported by appropriate schedules to the Laboratory Procurement Department.

(5) Procurement personnel promptly settle supplier's claims using assistance from specially qualified personnel (Legal, Accounting, Engineering, Property Management and the requesting division), as necessary to:

(i) Review settlement proposals;

(j) Negotiate settlements;

(k) Make unilateral determination if negotiations are unsuccessful;

(l) Prepare and sign a memorandum setting forth the principal elements of the settlement for inclusion in the procurement file and for use by reviewing authorities;

(m) Obtain required approvals; and

(n) Issue an appropriate termination modification.

f. *Default Termination* actions are normally based on specific supplier actions unless an excusable delay exists, or the Laboratory waives its right to terminate.

(NOTE: Defective default terminations are converted to terminations for convenience).

(1) Specific grounds for defaulting suppliers are:

(a) Failure to complete the contract by completion date;

(b) Refusal or failure to prosecute the work required by the contract;

(c) Repudiation of the contract or anticipatory breach of the contract; or

(d) Failure to perform other provisions of the contract.

(2) Normal default terminations are processed as follows:

(a) Requisitioners initiate termination for default requests in writing and identify the reasons why termination action is deemed necessary;

(b) Buyer/contract specialists consider the following factors in determining whether to terminate a contract for default:

(i) Provisions of the contract and applicable laws and regulations;

(ii) Excusable delays (identified as acts of God, the government or a public enemy, or abnormal weather conditions and labor strikes) and their impact on supplier performance;

(iii) Waiver of Laboratory termination rights by electing to permit a delinquent supplier to continue performance past a contractual due date. The Laboratory surrenders its right to terminate for failure to make delivery in these situations. However, the Laboratory is entitled to a reasonable time to determine a course of action;

(iv) Specific failure of the supplier and excuses, if any, made by the supplier for such failure;

(v) Time which would be required for the Laboratory or another supplier to complete the work, as compared to the time required for completion by the delinquent supplier;

(vi) Ability of the supplier to liquidate guaranteed loans, progress payments or advance payments;

(vii) Availability of funds to finance the increased cost to complete to the extent that such costs may not be covered by surety protection, and the availability of funds to finance termination costs should it be subsequently determined that the delay was excusable; and

(viii) Any other pertinent facts and circumstances.

(c) Obtains approval of Manager of Procurement and Legal Department;

(d) Gives notice of failure and an opportunity to cure the failure if the default is for a failure to progress or other provisions.

(i) ***NOTE: Cure Notice. A Cure Notice will generally be in a similar form to that outlined below:***

"You are notified that the Laboratory considers your failure to either make progress or to specifically perform a specific provision of the contract, a condition that is endangering performance of the contract within its terms. Therefore, unless such condition is cured within ten (l0) days after receipt hereof, the Laboratory may terminate subject contract for default under the default provisions of the contract."

(ii) ***NOTE***: *Show Cause Notice*. A *Show Cause Notice* is issued when a delivery schedule has expired in all or in part. While a *Show Cause Notice* is not necessary, it is generally considered advisable for the buyer/contract specialist to send it. The *Default Clause* provides that if the Laboratory terminates a contract for default, and later finds that there was excusable delay within the definition given in the *Default Clause*, the termination will be changed to one of convenience. A *Show Cause Notice* ensures that the supplier understands the seriousness of his predicament, and his response can be used to evaluate whether the circumstances justify default action.

(e) Gives written notice of termination without prior notice, unless the termination clause provide otherwise, if termination is for failure to complete by completion date stating:

(i) Contract number and date;

(ii) Description of default;

(iii) Right to proceed with performance is terminated; and

(iv) Suppliers have a liability for excess costs.

(f) Documents procurement file to explain fully the reasons for action taken;

(g) Exercises available remedies in accordance with the best interests of the Laboratory:

(i) Reprocurement by the Laboratory;

(ii) Completion by the Laboratory;

(iii) Permit the supplier, his surety, or his guarantor to continue performance under a revised delivery schedule;

(iv) Permit the supplier to continue performance by means of a contract or other business arrangement with an acceptable third party, provided the rights of the Laboratory are preserved; or

(v) Execute a no-cost termination settlement if the need for the product no longer exists.

(vi) Assesses excess reprocurement costs against a defaulted supplier.

9.2.6 CONTRACT TYPES

Selection of the most appropriate contract type for each acquisition is the responsibility of the Procurement Department. Fixed-price awards will be used to the maximum extent practicable.

9.2.6.1 Fixed-Price and Fixed-Price, Indefinite Quantity

(1) Fixed Price. A fixed price award is indicated when the supply or service to be acquired has been described in sufficient detail to allow a supplier to propose one all-inclusive price for performance and/or delivery. Fixed-price contracts may be used for services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standard commercial terms and conditions. This does not include services that are sold based on hourly rates without an established catalog or market price for a specific service performed.

(2) Fixed Price, Indefinite Quantity. A fixed price, indefinite quantity award is indicated when all of the conditions in 9.2.6.1(1) above, are present, but the exact quantity to be purchased is uncertain. The contract shall state a minimum order quantity that will be purchased, as well as a maximum order limitation, above which the contractor may, but is not required to, accept on a delivery order issued under the contract.

9.2.6.2 Not to Exceed Orders

A not to exceed award is indicated when the supply or service to be acquired has been described in adequate detail to fix the price on the elements of performance, but circumstances surrounding actual performance or final delivery cannot be definitized. A not to exceed order may be appropriate for repair orders where the extent of the repairs cannot be ascertained until work begins, or for training orders where a per student price has been negotiated but the number of students has not been fixed. Orders written with not to exceed terms should identify a cognizant individual for approval and certification of invoices.

9.2.6.3 Labor-Hour, Time-and-Material

A labor-hour, time-and-materials contract is used only when it is not possible to estimate schedule and costs at the time of contract award. This contract type may be indicated when the predominant element of work is labor and the services will be provided on an "on call" basis.

9.2.6.4 Blanket Agreements

(1) A blanket agreement is indicated when it is in the best interests of the Laboratory to establish a written understanding of terms and conditions, and in some instances, pricing, in advance of anticipated requirements. *Blanket agreements do not imply any commitment on either party to place or accept future orders*. This type of agreement may be used to expedite the placement of future orders for specific supplies or services. Blanket agreement suppliers are normally selected on the basis of technical evaluation and/or price competition. The decision to issue a blanket agreement is dependent upon the anticipated volume of usage and the nature of the requirement.

(2) Awards under blanket agreements will be issued as task orders or work orders, which incorporate by reference the provisions of the blanket agreement. These awards may be made by:

- Rotation among blanket agreement holders; or
- Mini-competition among blanket agreement holders.

(3) Each order issued under a blanket agreement will be subject to all the reviews and approvals typical to any other procurement action. Blanket agreements may incorporate any type of standard terms and conditions, i.e., fixed-price, labor-hour-time-and material, etc.

9.2.6.5 Cost-Reimbursement

A cost-reimbursement type contract is appropriate when it is not possible to clearly define the scope of work or estimate schedule and costs at the time of contract award. For the acquisition of some supplies or services it may be in the best interests of the Laboratory to arrange for the reimbursement of allowable, allocable, applicable and reasonable costs incurred in performance of the contract scope of work. Examples of cost-reimbursement contracts are:

(1) Cost-no-fee contracts

(2) Cost-share contracts

(3) Cost-plus-fixed-fee contracts, etc.

9.2.6.6 Letter Contracts

(1) A letter contract is indicated when programmatic requirements fully justify the commencement of work prior to the settlement of all contract issues. A letter contract may be issued using either an in-house cost estimate or a suppliers initial proposal provided it contains a dollar ceiling beyond which the Laboratory has no liability.

(2) A letter contract must be definitized as quickly as practicable (not to exceed one hundred twenty (120) days), and must be signed by an individual with authority commensurate with the value of the anticipated contract. Letter contracts are issued in the format included as **Exhibit 9.2-E**.

(3) Argonne Legal review is required prior to issuance of any letter contracts.

9.2.6.7 Professional, Technical and General Personal Services

(1) A consultant contract is indicated when the services being contracted for are made available by a private individual, acting on their own behalf to provide expert advisory services of a technical or professional nature. Consultant agreements (including legal and accounting) are subcontracts subject to the approval requirements of Appendix G of the Prime Contract.

(2) A Retention Agreement, (LH-Retention), may be used when the requirement is for legal services, including but not limited to, litigation, labor, employment, benefits, contracting, procurement, environment, taxation, and general corporate issues.

9.2.6.8 Requirements Contracts

A requirements contract is indicated when it is in the best interests of the Laboratory to reserve all requirements of a specific type or kind for delivery or performance by a single, designated supplier. This type of contract, which precludes the Laboratory from fulfilling its needs from any other source, should be used when the exact time for performance or delivery cannot be determined at the time of contract award, the exact quantity of supplies can only be estimated, and commitment of the Laboratory to a single supplier will not impair the Laboratory's ability to obtain needed supplies and/or services. Delivery of supplies or services will be in response to written direction, in the form of a *work order*. A requirements contract may be written for commercial or non-commercial supplies or services.

9.2.6.9 Sales Agreement

A sales agreement is indicated when the Laboratory anticipates the generation of scrap or other salvageable materials for which there is a secondary market. Sales agreements will be written to reflect a disposition price of at least, fair market value and, where applicable, will include terms and conditions that require disposal consistent with environmental and hazardous materials requirements.

9.2.6.10 Credit Card Orders

Argonne credit cards are utilized to acquire Laboratory-authorized materials and supplies. Card usage guidelines are included as Appendix A, Argonne Credit Card Program (ACCP).

9.2.6.11 Review

Circumstances requiring the use of any combination of contract types into a hybrid contract type or other contract type not specifically named should be reviewed with the Argonne Legal Department and procurement management prior to solicitation.

EXHIBIT 9.2-E

EXAMPLE

LETTER CONTRACT

DATE

TO: Contractor

SUBJECT: Proposed Letter Contract No._____ entered into under Prime Contract No. W-31-109-ENG-38.

REFERENCES:

1. Appendix "A", Argonne Terms and Conditions for Fixed-Price Supply Contracts, dated _____.
2. Appendix "B", Statement of Work, which should be specifically identified and dated _____.
3. Appendix "C", Travel Policy for Contractor Personnel, dated _____.
4. Appendix "D-4", Intellectual Property Provisions, Supplies and Services Contract, dated _____.
5. Other attachments as may be required.

The University of Chicago, an Illinois not-for-profit corporation, operator of Argonne National Laboratory and herein called the "Laboratory," acting under Prime Contract No. W-31-109-ENG-38, as amended, with The United States Government (called the "Government"), represented by The U. S. Department of Energy (called the "Department"), desires _____ (called the "Contractor"), a_____ organized under the laws of the State of _____, to perform the services set forth in Reference 2 of this contract and the Contractor is willing to perform such services.

The above documents have been provided to the Contractor, and the Contractor hereby acknowledges possession of them. Subject to the provisions, terms and conditions of all the references, which are hereby incorporated by reference, Contractor is hereby authorized to proceed with the work set forth in Reference 2, for the period beginning (insert date) through (insert date). It is expected that a final contract for the work will be entered into within this period, which contract shall supersede this letter (telegram). This letter (telegram) shall be identified hereafter as Letter Contract No. _____.

In the event a definitive contract is not executed on or before (insert date), this Letter Contract shall be deemed terminated for the convenience of the Laboratory and the rights of the parties shall be governed by Clause 35, "Termination for Convenience" of Reference 1 above. The Laboratory's maximum liability hereunder, including all costs in the event this Letter Contract is cancelled pursuant to the Termination for Convenience clause, shall not exceed (dollar amount) and Contractor has no authority to make expenditures or to incur obligations which exceed (dollar amount).

(Jul-96)

EXHIBIT 9.2-E (CONTINUED)

The total price of the final contract is estimated to be (dollar amount). Contractor agrees to enter into negotiations immediately with the Laboratory to arrive at acceptable terms for the final contract. The final contract shall include Argonne National Laboratory's standard provisions, terms and conditions which have been furnished to Contractor and which are required by the Prime Contract for the operation of the Laboratory and by law, together with such additional or modified provisions, terms and conditions as may be agreed upon by the parties. It is expected that the final contract shall extend through (date).

Except for payments which may be due pursuant to Clause 35 of Reference 1, no invoices for this effort shall be paid until a fully executed final contract has been delivered to Argonne National Laboratory. This Letter Contract is subject to receipt by Argonne National Laboratory of written acceptance hereof by an authorized official of Contractor on or before (date). If for any reason Contractor fails to accept, without change or conditions, all of the provisions set forth herein, this Letter Contract shall be null and void and any work undertaken by Contractor shall be at Contractor's own risk.

Sincerely,

Signature Authority *must be* Commensurate with Value of Entire Anticipated Contract

Accepted:_____

Signature:_____

Typed Name:_____

Title:_____

Date:_____

(Jul-96)

APPENDIX A: ARGONNE CREDIT CARD PROGRAM (ACCP)

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CHAPTER I GENERAL INFORMATION

DEFINITIONS

Program Administrator. The members of the Argonne Procurement Department who are responsible for controlling, managing and organizing the Argonne Credit Card Program (ACCP) **(Exhibit 1, Credit Card Program Organizational Chart)**. Processing applications, issuing and destroying cards, establishing reports, and conducting training are primary duties of the Laboratory Program Administrator.

Approving Official (AO). The individual in the supervisory chain of the Cardholder responsible for approving *all* Cardholder monthly credit card invoices. Approving officials also request additions or deletions of Cardholders to the program. They also review and approve monthly statements to ascertain if credit card purchases are inappropriate or in violation of Laboratory policy. All approving officials must execute an "Approving Official Appointment Agreement" which will be maintained by the program coordinator/dispute officer.

> **NOTE:** For cardholders located in the Procurement Department (OCF-PRO), Accounts Payable (OCF-ACT) will approve Cardholder monthly credit card invoices.

Cardholder. The individual the card is issued to and the only one that is authorized to use the card. Cardholders are responsible for ensuring the appropriate and authorized use of credit cards assigned to them. Cardholders also provide to the AO all appropriate documentation to expedite monthly billing approvals. All cardholders must execute a "Cardholder Agreement for the ANL Credit Card (ANL-647)" which will be maintained by the Program Coordinator/Dispute Officer.

Program Coordinator/Dispute Officer. The individual responsible for consolidation and forwarding of monthly statements to Accounts Payable. Also responsible for resolving disputes that the cardholders are unable to resolve. This individual assists the Program Administrator, and will also be a member of the Procurement Department.

Accounts Payable/Billing Office Representative. The OCF individual responsible for conducting and reviewing reconciliations and ensuring invoices are paid timely. This individual serves as the focal point for receipt of official centrally billed invoices and authorizes account payment.

CHAPTER II PROCEDURES

PURCHASES

1. Individual fixed-price commercial item purchases up to the individual cardholder limit as set forth in the "Cardholder Agreement for the ANL Credit Card," other than those specifically excluded as listed in **Exhibit 2 (Unallowable Items) or Exhibit 3 (Excluded Items)** will be made by authorized cardholders in departments/divisions under the ACCP.

2. In response to recommendations from department/division managers, the Procurement Manager will provide a written delegation of authority, empowering designated individuals to procure commercial items directly using a credit card bearing the employee's name and having specified single purchase and monthly cumulative purchase dollar limits and prohibitions of its use for certain items (**Exhibits 2 and 3**). Each card will have an account code predetermined to which all transactions will be charged.

3. Each cardholder must safeguard the card and account numbers at all times and preclude its UNAUTHORIZED use by anyone else. Intentional use of a card for other than official ANL business shall result in immediate cancellation of the card and possible disciplinary action. The cardholder may be held personally liable for unauthorized purchases.

4. Cardholders may not complete any credit card transaction with any family member, or other entity that would result in a conflict of interest, or give the appearance of a conflict of interest.

5. Cardholders are not required to obtain competitive offers when making purchases. However, cardholders must obtain fair and reasonable prices at all times. The determination that a price is reasonable may be based on current price lists, catalogs, advertisements, value analysis, or the cardholders' personal knowledge of the item being purchased (see "Conducting the Transaction").

6. Cardholders and/or Approving Officials are responsible for reconciling monthly credit card statements, and summarizing their card activity. Cardholders must forward their statements to their Approving Official within five (5) days of receipt (see "Documentation, Reconciliation & Payment Process").

   NOTE: For cardholders located in the Procurement Department (OCF-PRO), Accounts Payable (OCF-ACT) will be responsible for the reconciliation process in accordance with Appendix A.

7. Cardholders are responsible for notifying a supplier on receipt of damaged/incorrect goods, coordinating their return, and ensuring that appropriate credit is issued by the supplier (see "Billing Errors & Disputes").

8. Recipients of the materials or service are responsible for complying with all Laboratory property receipt and handling procedures and for large deliveries requiring rigging services support.

9. An Approving Official (AO) must review, approve, and sign applicable cardholders' monthly statements within two workdays of receipt for propriety and price reasonableness. The cardholder must forward the statements to the Program Coordinator for consolidation of statements and forwarding to Accounts Payable. AO review includes ensuring that requirements are not deliberately broken down into multiple transactions to keep the transaction within the "single purchase" limit of the card. Charges to specific cost codes/accounts, if necessary, will be made as a part of the reconciliation process. The AO may nominate an alternate AO to act during periods of absence from the Laboratory with formal notification to the Program Administrator.

10. Accounts Payable will pay the credit card company, in full, upon receipt of the invoice. The primary day-to-day responsibility for resolving disputes and reconciliation process issues rests with Cardholders, and Approving Officials. A Program Coordinator/Dispute Officer has been designated for issues that remain unresolved.

11. The Program Administrator (PA), who is appointed by the Argonne Procurement Manager, provides oversight of the program for the Laboratory and is the main interface with the credit card company. This includes cardholder training, issuance of cards to cardholders, destruction of cards, notification of lost or stolen cards to the credit card company, and providing assistance in resolving disputes between the credit card company and a Cardholder, as required.

12. The PA is responsible for periodically sampling and reviewing transactions for any potential misuse or abuse, and makes recommendations for action to the Procurement Manager in cases of abuse of bankcard privileges. Accounts Payable personnel, as well as Laboratory auditors, may assist or participate in credit card transaction reviews. The Procurement Manager makes decisions regarding withdrawing delegation of authority if misuse or fraud has been detected.

CONDUCTING THE TRANSACTION - GENERAL

After it has been determined that the item is not available through the Argonne Materials Ordering System (AMOS) or the Argonne Warehouse Stores, and is not included on the Excluded Items or Unallowable Items List, the Cardholder is responsibilities to ensure that the item is appropriate for purchase card use and performs the following steps to make arrangements with the supplier:

- Ask the supplier if it accepts VISA. If yes, proceed. If no, you must either locate a different supplier or submit a requisition if there is no other source.

- Explain to the supplier that the purchase is for Argonne National Laboratory, a Contractor for the United States Department of Energy (DOE). Inquire about the availability of discounts and explain that your purchases are exempt from sales tax.

- Whenever possible, obtain the credit card transaction number from the Supplier and record same to expedite the reconciliation process.

- Obtain a firm fixed price, *including shipping costs*, and delivery date. Ask yourself the following questions to determine if the price is fair and reasonable:

  13. Am I knowledgeable of the product and its value?

  14. Is the price supported by a catalog listing or purchase agreement?

  15. Would I pay the price quoted if the money were my own?

  16. Do the circumstances of the transaction (i.e., time, schedule) justify the price?

- Place your order, confirm account number and expiration date, and provide shipping instructions as stated below:

  DELIVERY ADDRESS:

  Argonne National Laboratory
  Building 46, Argonne P.O. No. (nX-nnnnn) (or alternate for direct delivery)
  9700 South Cass Avenue
  Argonne, IL 60439

- Inform supplier that sales drafts or transaction records (billing) shall not be processed until goods are shipped.

CONDUCTING THE TRANSACTION - ADDITIONAL REQUIREMENTS - PROCUREMENT PERSONNEL

Approved PARIS purchase requisitions shall be processed through the PARIS system as usual, with the following changes to the "AWARD PARAMETERS" data entry window:

- Award Instrument should be set to "P-Card";
- PIIN/Contract number should reflect type "X" purchase;
- Cash terms should be set to "P-Card";
- Select the correct "P-Card Holder";
- Enter the P-Card "transaction reference" (if it is available from the supplier).

In the "AWARD LINE ITEMS" data entry window, include ALL EXPECTED charges including shipping/handling, special charges, etc.

Advise supplier concerning tax-exempt status of Laboratory to ensure that no sales and/or use taxes are added to P-Card charges.

CONDUCTING THE TRANSACTION - LIBRARY PERSONNEL

Approved Publication Request Form shall be processed through the Library as usual, with the following changes and/or additions:

- When recording the P-Card purchase in the Argonne Information Management (AIM) System, the LAST four digits of the P-Card number shall be entered into a user field to designate the procurement as a P-Card purchase;
- Advise supplier concerning tax-exempt status of Laboratory to ensure that no sales and/or use taxes are added to P-Card charges;

- At the end of the billing cycle, a summary of all Library P-Card purchases for the billing cycle will be extracted from AIM (by either electronic file or report), sorted by P-Card number, and forwarded to Accounts Payable;

- At the end of each billing cycle, the cardholder shall reconcile the information contained on the statement, sign the statement, and forward the statement to the approving official within five (5) days; and

- The approving official shall review and certify the cardholder's statement and forward the ORIGINAL statement to Accounts Payable.

DOCUMENTATION, RECONCILIATION AND PAYMENT PROCESS

Documentation

Any time a purchase is made using the card, whether it is done over the counter or by telephone, a document should be retained as proof of purchase. These documents will later be used to verify the purchases shown on the cardholder monthly statement.

1. When a purchase is made over the counter, the Cardholder shall obtain the customer copy of the charge slip, which will become the accountable document (make sure all carbons are destroyed). The Cardholder should then document the transaction.

2. When making purchases by phone, the Cardholder should document the transaction, and attach any shipping documents associated with the order. If receipt is to be sent via mail, please make sure the vendor addresses the envelope to the proper delivery address.

Additional Documentation - Library Purchases

1. All Library purchases are recorded in the AIM System, including the vendor name and address, item number, item description, order date, expected delivery date, cost code, and total cost of the procurement including shipping. The last four digits of the card number are entered into a user field to designate the procurement as a credit card purchase.

2. When items are received, the delivery date in the AIM System is updated. The vendor should be contacted immediately regarding any damaged or incorrect items.

3. At the end of the billing cycle, the Library will prepare an electronic file or report of the items ordered based on information in the AIM system. The file should be sorted by credit card number and include vendor information, item information, receipt date, and cost code. This report will be used to support the credit card statement reconciliation and for cost distribution, and should be forwarded to Accounts Payable.

4. Any charges appearing on the credit card statement will be paid unless communication to withhold payment is received by Accounts Payable from the Library. The AIM system should be updated to indicate payment of the credit card purchases. Recording the payment in the AIM system will prevent payment of erroneous duplicate charges on the statement.

Contractor Reports

JPMorgan Chase Bank provides monthly statements on-line. The reports will be available three working days after the end of the billing cycle (billing cycle cutoff is the 27th of each month).

1. Cardholder Statement of Account – all purchases, credits and other transaction data that the Cardholder has made in the 30-day billing cycle (Attachment II).

2. Finance Office Official Invoice – the official invoice provides summary data for each Cardholder and Approving Official.

3. Accounts Payable – will pay upon receipt and awaits reconciliation of the account by the Cardholder.

Reconciliation

At the end of each monthly billing cycle, the Cardholder (or Approving Official) should reconcile the information on his/her statement. A Cardholder must then sign the statement (above or below "Reviewed By"), attach all supporting documentation and forward to the Approving Official. It is important that the Cardholder (or Approving Official) check each purchase on the statement to verify the accuracy. If an item has been returned and the credit voucher received, the Cardholder will verify that the credit is reflected on the statement. If purchased items and credits are not on the next monthly statement, the cardholder will retain the transaction documentation until the purchase or credit appears on the statement. If purchase or credit does not appear on the next monthly statement, the Cardholder or Approving Official should notify the appropriate Program Coordinator for assistance in resolution and reconciliation of the statement. A cardholder must sign the monthly statement and forward it to the approving official

within five (5) working days of receipt. If the Cardholder cannot review the statement at the time that it is received, the Approving Official is responsible for reviewing and certifying the Cardholder's statement. The Approving Official will meet with the Cardholder upon his/her return to go over the Cardholder's statement. After receipt of Approving Official signature the Cardholder shall maintain one copy of the statement for his/her records and forward the original to accounts payable. Reconciliations are due by the 11th of each month. The Cardholder will maintain all receipts and files. The Approving Official is responsible for reviewing and signing the Cardholder's monthly statement of account. The Cardholder is responsible for forwarding the statement of account to the Coordinator/Disputes Official. As stated previously the Cardholder shall maintain supporting documentation. The statement must be reconciled, approved, and forwarded to the Coordinator within ten (10) days after receipt, or prior to the 11th of the month.

NOTE: For cardholders located in the Procurement Department (OCF-PRO), Accounts Payable (OCF-ACT) will be responsible for the reconciliation process in accordance with Chapter III, Reconciliation Process.

BILLING ERRORS AND DISPUTES

Resolving Supplier Issues

It is the Cardholder's responsibility to follow up with the Supplier to obtain credit for returned items or incorrect charges and to coordinate return and replacement of defective or incorrect items.

Returns

If a defective item or incorrect item is received, Cardholder shall notify the Supplier to arrange for the item to be returned for credit or replacement.

1. Request return shipping address and return authorization number.

2. Coordinate with recipient of the materials to replace item in original packaging and affix return authorization number to the outside of the package.

3. Make two (2) copies each of the return authorization form and original invoice. One set shall be retained for your records, and one set shall accompany the package being returned.

4. Complete a Shipping Order (Form ANL-126C) and contact shipping to coordinate item pickup and completion of appropriate shipping documents.

5. Document return of item and authorize payment in full (note dispute/discrepancy and maintain supporting documentation).

6. Ensure credit or replacement item is received in a timely manner.

Incorrect Charges

If an item is billed incorrectly, the Cardholder should contact the Supplier to resolve the problem.

1. Document all communications to include dates, contact person, and a brief description of the problem, and explanation, on your discrepancy log.

2. Authorize payment of the full amount billed on current statement.

3. Ensure that credit is received in subsequent statement in a timely manner. The same charge number used for the original transaction shall be used for the credit transaction which will "offset" the discrepancy.

4. Upon receipt of the credit, document your discrepancy log as being cleared.

Billing Prior to Receipt of Materials

If statement has billed for items that have not yet been received, the Cardholder should contact supplier for explanation, to expedite order, or to request credit until shipment is complete.

ACCOUNT MAINTENANCE

If any information changes from the original purchase card setup information, a written explanation must be completed and submitted to the Program Administrator.

> ***Note:*** *In the following steps, all maintenance forms MUST be submitted to the Program Administrator. Under no circumstances shall change requests be sent directly to JPMorgan Chase Bank.*

Name, Location, Phone Number Changes

Submit written request for respective Cardholder or Approving Official name change, address/mail stop change, or phone number. Fill in current name as it appears on card, and the specific field to be changed.

Approving Official Changes/Transfers

Notify Purchase Card Administrator for instructions.

Training

All cardholders and approving officials must take the GSA Smart Pay purchase card cardholder training once a year. The training is located at http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/intr/cfm.

LOST OR STOLEN CARDS

As soon as you become aware that your card has been lost or stolen, you must immediately notify JPMorgan Chase Bank. Customer service is available 24 hours a day, 7 days a week. You must then notify the Purchase Card Administrator and Approving Official within one working day.

Call JPMorgan Chase Bank

Toll Free Worldwide: 1-888-297-0782

Provide the Following Information:

1. Cardholder name as it appears on card
2. Card number
3. Circumstances, date, location of loss (if known)
4. Any purchases made on the day the card was lost or stolen

5. If stolen, the date reported to police

Purchase Card Administrator will follow-up with Bank of America to assure account closure, and to reissue the new card.

CHAPTER III RECONCILIATION PROCESS AND EXHIBITS

RECONCILIATION PROCESS FOR PROCUREMENT DEPARTMENT CARDHOLDERS

The Procurement Department (OCF-PRO) will utilize authorized Procurement Cards as a payment vehicle for fully authorized purchase requisitions when the selected source will not accept any other form of payment or if the selected source charges an excessive premium for payment by other than Procurement Card. For these types of Procurement Card purchases, Accounts Payable will perform the reconciliation function. Upon receipt of the monthly credit card statement, the Accounts Payable processor (hereafter referred to as "processor") will request the PARIS report that generates data regarding credit card PARIS orders by requested period (PARIS Report No. PRO-027-01A). The period used for the report will be the period covered by the credit card statement. The Procurement Department ACCP Program Administrator will be responsible for Procurement Department cardholders (hereafter referred to as "cardholders"). The processor will organize the PARIS reports by buyer. All the buyer reports will then be matched to the detailed credit card statement by cardholder by comparing the vendor name, transaction number (if available), date and dollar amount that appear on the PARIS report to the credit card statement. The processor will also verify that the item ordered is not unallowable as indicated on Exhibit 2. The individual PARIS reports will be used as backup to the credit card voucher. Any reports printed but not matched will be held in an open file to be matched against future credit card invoices. If the amount on the PARIS report does not agree with the credit card charge, the processor will communicate the discrepancy to the buyer indicated on the PARIS report. The buyer will communicate with the vendor to resolve the discrepancy and communicate the resolution to the processor. The processor will document the reason for the discrepancy on the PARIS report that backs up the credit card charge and also maintain a copy of that report in the open file of PARIS reports that have not been billed if the resolution to the problem is an additional charge or credit due from the vendor. The report copy will be used as backup for credits/charges on future credit card statements that resolve the discrepancy. Discrepancies of ± $5 will not be investigated. Discrepancies within this range will be charged/credited to the division cost code vs. the PARIS liability account (32100-97-010-000).

The processor will utilize the open PARIS report file to ensure that the Laboratory is only charged/credited once for each credit card purchase. If the processor receives a credit card charge/credit that is not covered by a PARIS report in the open file, the processor needs to first verify items paid on past credit card invoices to ensure the charge/credit is not a duplicate. If a duplicate, the processor will place a note to that effect in the open PARIS report file and request a credit from the vendor. The processor, via the item in the open PARIS report file, will follow to

ensure the credit card company issues the credit. If not a duplicate, the processor will communicate the item to the applicable credit card holder who will investigate the item and provide the processor with a resolution. If a resolution cannot be found by their investigations, the processor will request documentation from the credit card company and review the documentation with the cardholder when received. The processor and the cardholder will take appropriate actions based upon the outcome of these investigations e.g., issue PO if one wasn't issued, request credit from vendor or credit card company, etc.

If the items on the PARIS report are not indicated as received, the processor will work with the requisitioner to have the item receipted in PARIS. If the requisitioner indicates that the item has not been received, the processor will communicate this to the buyer, who will resolve the issue with the vendor and communicate the resolution back to the processor. The processor will follow for any credits due from vendors via the copy of the discrepancy report in the open unbilled report file.

When processing the credit card payment, the processor will charge the PARIS liability account (32100-97-010-000) by PO number (except for ± $5 discrepancies, that will be charged/credited to the division). Buyers will attempt to ensure any freight charges are determined at the time of the order and are included as a separate line item on the PO. This should help to minimize small discrepancies between the PARIS report and credit card charges.

The processor will attempt to fully process the credit card invoice vs. immediately paying the invoice to a clearing account and performing the match at a later date.

Exhibit 1 Credit Card Program Organization Chart

Exhibit 2 Unallowable Items

Whether or not an item of cost is allowable under the Prime Contract requires evaluation and judgment. The Prime Contract applies the following guidelines in determining if an item is allowable or not: (1) Reasonableness in accordance with FAR 31.201-3 and good business judgment (2) Consistent application of generally accepted accounting principles and practices (3) Recognition of items that are specifically excludable costs according to the contract. Following is a current list of items that have been determined to be unallowable:

Advertising (except help wanted), promotional items, memorabilia, models, gifts, and souvenirs
Air Cleaners (purifiers) and accessories (see footnote* below)
Alcoholic beverages
Appliances, i.e., coffee pots, refrigerators, microwaves, stoves, etc. (excludes radiant or space heaters, refer to A/P Manager or Assistant CFO)
Award programs (Unless approved by Human Resources)
Briefcases > $40.00
Business Card Binder (Leather)
Can Openers
Catalog Cases > $70.00
Certificate holders/frames
- 8-1/2' X 11' >$12
- 18' X 24' >$16
- 24" X 36" >$26

Christmas Cards
Educational assistance for other than regular full- or part-time Argonne employees. <u>Temporary employees are not eligible. Special one-time type classes/seminars directed by the Argonne supervisor for temporary employees are allowable.</u>
Clothing (unless AMOS clothing contract)
Coffee pots and associated accessories
Commemorative coin sets
Contributions and donations
Desk accessories (mirror chrome or mirror brass finish)
Entertainment (i.e., cost of amusement, social activities, tickets to shows, sporting events, meals, lodging, rentals, gratuities)
Fines, penalties, and interest
First class air travel

Flowers
Food items (i.e., coffee, pastries, meals) and related supplies
Foreign air carriers
Furnishings and decorations (refer to A/P Manager or Assistant CFO)
Lamps > $85.00
Leather covered record books, appointment books, calendars, organizers and planners
Leather computer cases, briefcases, bags, pad holders, portfolio's and attaché cases. Vinyl attaché cases > $50.00
Lobbying costs
Meeting/Organizer Books – Leather Bound
Memberships in civic organizations
Microwave Ovens (Firehouse Use is Authorized)
Motivational Posters
Notebook travelers > $70.00
Paintings, pictures, plants (refer to A/P Manager or Assistant CFO)
Paper plates and cups
Pencils (mechanical) > $3.00
Pens > $5.00
Personal travel accessories
Planners (leather) Others > $40.00
Postage for retirement party invitations
Presentation Binders >$30
Prizes (i.e., safety meeting prizes)
Radios (i.e., AM/FM)
Refrigerators
Seasons greeting labels
Toast-R-Ovens
Travel accessories of a personal nature (umbrellas, sewing kits, etc.)
Travel insurance and insurance against loss of government property (refer to A/P Manager or Assistant CFO)
Water Coolers (except through Argonne Procurement contract)

*To be allowable, requires prescription from personal physician and Environment, Safety, Health, and Quality Assurance Division (ESQ) survey paid for by requestor's division. ESQ survey determines if air quality can be corrected via another means. If personal air cleaner is the best means to correct the problem, ESQ determines adequacy of equipment being purchased. ESQ-Industrial Hygiene evaluates above and determines proper course of action (call Jim Woodring, ext. 2-5641).

Exhibit 3 Excluded Items

All unallowable items listed in Exhibit 2
All materials available through Argonne-AMOS System or Argonne Stores
Books and publications (except those purchased by the Argonne Library)
Cash advances
Chemical and hazardous materials
Circuit breakers
Computer software (except that purchased by Argonne Procurement)
Fasteners
Industrial and specialty gases
Kitchen appliances
Medical supplies
On-site services
Personal/Professional Services
Postage
Printing services (except that purchased by Argonne Visual Media Services)
Sensitive equipment items
Telecommunications services and expenses
Travel/transportation expenses (including airline tickets, lodging, transportation and automobile rental)
Vehicle service including gasoline and towing
Any item requiring safety approvals, significant quality assurance requirements, or subject to 10 CFR 830.120 requirements (procurements in support of critical or risk associated applications in a nuclear facility)

Exhibit 4 Suggestion Sheet

Name: _____

Division: _____ Extension: _____

Observations:_____

_____

_____

_____

_____

Problems:_____

_____

_____

_____

_____

Changes & Suggestions: _____

_____

_____

_____

_____

Return To: Program Coordinator

Exhibit 5

ANL-647 (September 29, 2005)

Cardholder Agreement for the ANL Credit Card

I, _____, hereby accept an ANL Credit Card which will only be used to acquire for Argonne National Laboratory (ANL), authorized materials and supplies not to exceed _____ per action, and _____ total for each billing period. As a card member, I agree to comply with the following terms and conditions regarding my use of the credit card:

1. I understand that I am being entrusted with a valuable tool and will be making financial commitments on behalf of ANL and I will strive to obtain the best value for ANL.
2. I understand that ANL is liable to the Credit Card Company for all charges made on the card in accordance with the policies set forth in the Argonne Credit Card Program.
3. I agree to use the credit card for authorized official business purchases only **in accordance with the policies set forth in the Argonne Credit Card Program** and agree not to charge personal purchases. I agree that I will be personally liable for costs resulting from such unauthorized personal purchases or **ANY purchase not made in accordance with the policies set forth in the Argonne Credit Card Program**. Such purchases constitute an advance of my wages and I expressly authorize ANL to deduct such costs from my wages.
4. I will be responsible for each order processed to ensure delivery of acceptable materials, timely reconciliation of the monthly purchasing card statements, and payment ratification. I understand that ANL will audit the use of the credit card and report and take appropriate action on any discrepancies.
5. I will follow the established procedures for use of the credit card. Failure to do so may result in revocation of my use privileges and other disciplinary actions, including termination of employment.
6. I have been given a copy of the ANL Credit Card Program procedures and understand the requirements for use of the credit card.
7. I agree to return the credit card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change which causes my organization code to likewise change, I also agree to return my credit card and arrange for a new one, if appropriate.
8. I agree to notify the ANL Credit Card Program Administrator if my ANL address changes.
9. If the credit card is lost or stolen, I agree to notify the ANL Credit Card Program Administrator immediately.
10. I authorize ANL to obtain a credit report concerning me that will be used in determining whether a credit card will be issued. Such authorization shall be in effect for as long as I hold the card.

_____	_____
Cardholder Name (Type or Print)	Approving Official (Type or Print)
_____	_____
Division/Badge Number	Division/Badge Number
_____	_____
Signature Date	Signature Date

APPROVED: _____

Manager, ANL Procurement Department Date

Exhibit 6: Approving Official Appointment Agreement

SUBJECT: APPOINTMENT AS PURCHASE CARD APPROVING OFFICIAL

Ref: (a) DOE Purchase Card Policy and Operating Procedures, November 2008

In accordance with reference (a), you are hereby appointed as an Approving Official. The current cardholders under your oversight are indicated below:

NAME	CARD TYPE	SINGLE PURCHASE LIMIT	MONTHLY PURCHASE LIMIT

Your responsibilities include but are not limited to the following:

(1) Ensure that each cardholder has received training, maintains copies of referenced document and any applicable local procedures, and understands the requirements for use of the Government Purchase card.

(2) Pre-approve all your cardholders' purchases unless you authorize blanket purchase authority in writing. Ensure that the requested items are for official government use and that the items are authorized for purchase in accordance with reference (a).

(3) Review and approve cardholders monthly Statement of Account ensuring that the statements have supporting documentation and are complete, accurate, and reflect only authorized purchases.

(4) Verify the validity of all purchases listed on the cardholders' monthly Statements of Account prior to certification. Reconcile approving official consolidated monthly Statement of Account with cardholders' monthly Statement of Account.

(5) Promptly sign and date and forward all cardholders Statements of Account to the responsible financial office in a timely manner.

This appointment is automatically terminated upon the Approving Official's employment ending (e.g., resignation, retirement, or reassignment).

You are required to sign, date, and return a copy of this appointment letter to the undersigned. Should you have any questions concerning these instructions or the level of your authority, please contact me at (630) 252-3640

Joseph A. Ingraffia

Procurement Service Manager

APPROVING OFFICIAL ACKNOWLEDGEMENT

In accordance with DOE Purchase Card Policy and Operating Procedures, I have reviewed, understand, and acknowledge my responsibilities as a DOE Purchase Card Approving Official. I have completed the required Approving Official training as recommended by the Organizational Program Coordinator.

_____

(signature) (date)

9.2.7 OPTIONS

An option is a unilateral right in a contract, purchase order or agreement by which, for a specified time and at a definite price, the Laboratory may elect to procure additional supplies or services called for by the contract or purchase order, or elect to extend the term of the contract or purchase order.

a. Procurement is responsible for determining whether an option provision should be included in the solicitation document and the resulting purchase order, contract or agreement. This determination should be made in consultation with the requestor and other specialists as required.

b. Options may be priced or unpriced. Solicitations and subcontracts shall not provide for unpriced options unless approved by a Procurement Manager, except for research and development, and follow-on Architect-Engineering services phases, which may include construction management. Unpriced options are used where follow on services would logically be obtained from the supplier providing the initial work, but completion or substantial completion of the initial work is necessary before pricing of the option(s) can be established.

c. Appropriate option provisions should be included in solicitations and the resulting purchase order, contract or agreement, as necessary. Examples of various option provisions are contained in Section 10.3, paragraph 3.d. The solicitation should include the basis of evaluation that is either exclusive or inclusive of the option (the general preference is to include options) and, when appropriate, inform suppliers that it is anticipated that the Laboratory may exercise the option at the time of the award.

d. Suppliers should be informed that the Laboratory may reject an offer as non-responsive if it is materially unbalanced as to prices for the basic requirement and the option quantities. An offer is materially unbalanced when it is based on prices significantly less than cost for some work and prices which are significantly overstated for other work and there is a reasonable doubt that the offer would result in the overall lowest cost to the Laboratory even though it is the lowest responsive offer or the offer is so grossly unbalanced that its acceptance would be tantamount to allowing an advance payment.

e. In awarding the basic contract, purchase order or agreement, the buyer/contract specialist shall evaluate offers for any option quantities or periods contained in the solicitation when it has been determined prior to soliciting offers that the Laboratory is likely to exercise the options.

f. The basic contract, purchase order, or agreement shall specify limits on the purchase of additional supplies or services, specify the overall term (including any extensions), and specify the period within which the option may be exercised.

g. The basic contract, purchase order or agreement shall state that priced options shall be exercised by issuance of a unilateral written modification, and that unpriced options may be exercised via bilateral execution of a modification by both parties.

h. When exercising an option, the buyer/contract specialist shall notify the supplier by issuance of a modification in accordance with the terms of the option provision, and the modification shall cite the option clause as the authority for exercising the options.

i. Buyer/contract specialists exercise an option after receiving a funded requisition, and determining after an informal analysis of prices or an examination of the current marketplace, that the exercise of the option is most advantageous to the Laboratory, price and other factors considered. This determination should be included in either the file memo or procurement summary.

j. Procurement approvals of the modification shall be commensurate with the value of the modification. For actions previously approved by DOE which included option provisions, no additional DOE approval is required.

9.2.8 NEGOTIATIONS

a. The overall objective of negotiations is a mutual agreement between buyer/contract specialist and supplier. The major elements of a mutual agreement are:

(1) A fair and reasonable price

(2) Delivery schedule

(3) Applicable terms and conditions

(4) Supplier performance (statement of work)

(5) Supplier cooperation

b. Procurements less than $100,000 that involve negotiation are conducted between buyer/contract specialist and supplier representative(s) and are normally accomplished by telephone, E-mail, fax, in writing or in person.

c. Formal negotiations of procurements valued at $100,000 or more may involve a multi-disciplinary team. The team leader should be the buyer/contract specialist who will analyze the problem(s) and make assignments to individuals most knowledgeable in the particular problem area. The team will formulate the objectives, alternatives, techniques, and negotiation plan and finalize actions to be taken. Each individual must know what can and cannot be discussed and also the accepted practice of negotiation and protocol. The buyer/contract specialist, and the negotiating team if applicable, should conduct the negotiations in three parts:

(1) *Fact Finding* - This phase is used to check inconsistencies and clarify understanding of the suppliers proposal, identify issues that require negotiation, and secure sufficient information to determine the Laboratory's position;

(2) *Negotiation* - This phase is used to outline the Laboratory's position on various issues, and should be supported by relevant points, logic, and appeals to reason, to encourage the supplier to change their point of view; and

(3) *Summarization* - This phase may be necessary at more than one time during the negotiation process. A summary should be a brief yet comprehensive presentation of the facts, statements or agreements reached as a result of negotiation. When a major issue has been exhaustively analyzed, cannot be resolved, and is being deferred to a later date, an intermediate summary should be prepared to outline the facts and positions discussed as of that date.

d. At the conclusion of negotiations all agreements must be reduced to writing to ensure that a common understanding has been reached. File documentation commensurate with the dollar value and complexity of the action should contain the results of the negotiation. This summary should explain each sides position on the issues and final agreements reached on the issues. To the extent the buyer/contract specialist has relied on cost or pricing data recognized to be inaccurate incomplete or noncurrent, the extent to which these deficiencies were corrected in reaching a final negotiated price must be explained.

9.2.9 CONTRACTS FOR SERVICES

9.2.9.1 Terms and Conditions

(1) When contracting for **Services**, standard Argonne Terms and Conditions can be modified by substituting the following clauses for the corresponding clauses covering the furnishing of **Supplies** as appropriate:

Warranty of Services
Inspection of Services - Fixed Price
Inspection of Research and Development - Fixed Price
Inspection of Research and Development (Short Form)
Inspection of Research and Development - Cost Reimbursement
Inspection - Time and Materials – Labor Hour

(2) All awards for on-site non-construction services except as exempted below shall incorporate the ESH terms and conditions that correspond to the level of risk in accordance with **Exhibit 9.2-F** entitled "ESH Terms and Conditions for Contracts for Services" (flowchart).

(3) All awards for off-site non-construction services except as exempted below shall incorporate Form ANL-366O, *Work by Contractors Off The Argonne Site Supplemental Conditions*, notated by Procurement as high, moderate or low risk based upon the risk level assigned to the purchase requisition by the Environmental Safety and Health (ESH) representative.

(4) Exemptions

Awards for supplies or equipment to be designed, developed, manufactured, and/or assembled at a contractor site using contractor workers without the participation of Argonne employees and delivered to the Argonne site without on-site installation and/or assembly;

Awards for service that will be performed at a contractor's site using contractor's workers without participation of Argonne employees;

Awards for construction that are subject to the separate ESH requirements for construction work;

Awards for work which include meeting attendance only;

Awards for research and development work performed on-site by graduate or post-doctorate fellows under the supervision of Argonne employees; and

Awards for work outside of the United States.

9.2.9.2 On-Site Services

All requisitions for performance of on-site services on the Argonne site shall require review and sign-off by the division Integrated Safety Management (ISM) representative, ESH/QA Oversight-Fire Protection (EQO-FP), and Facilities Management and Services-Safety and Emergency Systems (FMS-SES), to determine the level of hazard and/or complexity, and identify any associated environment, safety and health terms and conditions for incorporation into the resulting subcontract or purchase order by Procurement (reference POM Chapter 2, **Exhibit 2.1-A**).

Procurement shall not process any requisition for on-site services unless sign-off/clearance by appropriate ISM personnel has been obtained.

9.2.9.3 Off-Site Services

All requisitions for off-site work shall require review and sign-off by the ISM division representative and FMS-SES to determine the level of hazard and/or complexity and identify any associated ESH terms and conditions for incorporation into the resulting subcontract or purchase order by Procurement (see POM Chapter 2, **Exhibit 2.1-A).**

9.2.10 EXPORT CONTROL

All contracts, Purchase Orders, Memorandum Purchase Orders, Work-for-Others and Cooperative Research and Development Agreements (CRADAs) which involve transfer of equipment, materials, knowledge or information to a foreign national, entity or country require incorporation of applicable clauses as prescribed in Section 10.3, item 3.i. and prior review and approval by Manager, Export Control, Argonne Security and Counterintelligence Division.

9.3.1 COST/PRICE ANALYSIS

The process by which Argonne National Laboratory procurement personnel establish reasonableness of offered prices.

a. Laboratory procurement personnel will use the *Price and Cost Analysis Decision Matrix* at **Exhibit 9.3-A** to determine appropriate price and cost analysis techniques for a particular procurement. Some form of cost or price analysis is used on every Laboratory procurement action.

b. Technical personnel usually complete *Technical Evaluation Data Required In Support of Negotiation of Contract Awards* (see Chapter 3) in support of negotiation and awards. This support is normally required for noncompetitive activities and actions involving special tooling, equipment or other capital assets.

c. Laboratory procurement personnel normally obtain cost/price analyst support when:

(1) The buyer/contract specialist requests such support, regardless of dollar value;

(2) Defective pricing actions are encountered;

(3) Awards exceed any of the following dollar thresholds:

(a) Noncompetitive awards in excess of $100,000;

(b) Repricing actions valued in excess of $100,000;

(c) Procurement actions over $250,000.

d. Commercial items do not require certified cost or pricing data, but require some form of price analysis to support price reasonableness determinations. Bona-fide, published price lists can be utilized, but alone are not sufficient to justify price reasonableness for commercial items.

e. Subcontracts with educational institutions, that are the result of that institution's prior proposals' inclusion as part of the Laboratory's collaborative/consortium proposal to a Federal agency, which were reviewed and determined fair and reasonable by that Federal agency's Federal Grants Officer, do not require further cost analysis. The subcontract specialist must receive verification from the technical representative that they have reviewed and confirmed that the university participation has not changed from the original proposal.

f. Inter-contractor purchases do not require cost/price analysis if the price of the proposed work is represented by the management and operating (M&O) or site integrating contractor to be in accordance with the accounting practices of their Prime Contract with the U.S. Department of Energy (DOE).

g. Price Analysis: Procurement personnel normally use one or more of the following price analysis techniques for appropriate awards by:

(1) Comparing competitive price quotations received in response to a solicitation;

(2) Performing a comparison of prior quotations and contract prices with current quotations for the same or similar items;

(3) Comparing the proposed price to published price lists, published market prices of commodities and indicia, together with discount or rebate arrangements. In the absence of a published price list, the supplier may provide a *Certification of Commercial Pricing*, or a *Certification of Commercial Pricing for Parts or Components*; or

(4) Comparing proposed prices with estimates independently developed by technical personnel.

h. Cost Analysis:

(1) General criteria normally used to evaluate cost elements in ANL Form PD-8, *Contract Pricing Proposals (Production)* or ANL Form PD-9, *Contract Pricing Proposal (Research and Development)* are to determine:

(a) Allowability and allocability of the proposed costs and the necessity of the proposed costs for the scope of the work;

(b) Allowances for contingencies;

(c) Basis used for the allocation of indirect costs;

(d) Appropriateness of allocations of particular indirect costs to the proposed cost element;

(e) Subcontracts.

(f) Reliability (accuracy) of the contractor's estimating system(s).

(2) Price analysis using the Price and Cost Analysis Decision Matrix, Exhibit 9.3-A must be performed after cost analysis is complete.

(3) Profit/fee evaluations are normally performed by using one of the following techniques:

(a) Weighted guideline methods, (Exhibit 9.3-B*), Weighted Guidelines Profit/Fee Objective* for awards in excess of $700,000 for which cost analysis techniques were used in evaluating the proposal;

(b) For awards $700,000 or less, consideration shall be given to profit analysis factors, i.e., cost, risk, supplier's effort, labor, materials, overheads and facilities being used;

(c) Normal risk factors by contract type for fixed fee/profit guidelines are:

(i) Cost plus fixed-fee – 0 to 0.5%

(ii) Cost plus incentive fee – 1% to 3%

(iii) Fixed-price incentive – 2% to 6%

(iv) Firm fixed-price – 3% to 8%

(d) Additional negotiated fee guidelines (not necessarily ceilings) for cost type subcontracts are:

(i) Experimental, developmental or research work 15% or less; and

(ii) Other cost-plus fixed-fee type subcontracts up to 10%.

(4) Advisory audits are normally requested through DOE prior to the negotiation of any subcontract or modification in excess of $1,000,000 where the price will be based on cost or pricing data unless waived by the Procurement Manager.

i. *Contractor's Certificate of Current Cost Or Pricing Data*, Exhibit 9.3-C, are normally obtained on awards valued at $700,000 or greater, modifications of $700,000 or greater, or individual modifications that in aggregate are valued at $650,000 or greater. For example, a $400,000 addition and a $400,000 deduction to a contract would have an aggregate value of $800,000 and would require that a certificate be obtained. Exceptions are as follows:

(1) Commercial items at any dollar value.

(2) Acquisitions based on adequate competition, established catalog or market prices, or if the pricing is set by law or regulation.

(3) Administrative transfers of funds between M&O Contractors and any memorandum purchase orders.

(4) Competitive (other than cost reimbursable) best value solicitations including price as a substantial proposal evaluation factor.

(5) Competitive best value solicitations (other than cost reimbursable) in which price evaluations are consistent with criteria in the solicitation.

(6) Competitive best value solicitations (other than cost reimbursable) in which the overall proposal evaluation strategy does not neutralize or diminish price as a substantial evaluation factor.

(7) Those instances where the Procurement Manager determines an individual or class exception is necessary and supported by appropriate file documentation.

j. Procurement personnel will document the results of cost or price analysis in either a separate memorandum, or integrate the results into a negotiation memorandum or procurement summary. As a minimum, the following will be addressed in regard to the cost or price analysis results:

(1) What was evaluated;

(2) How it was evaluated;

(3) Any applicable supporting evaluations and disposition of the recommendations;

(4) Final recommended amount; and

(5) A schedule showing a comparison of quoted prices for competitive actions or a schedule comparing proposed cost elements to recommended amounts based on the analysis made with a discussion of the differences.

EXHIBIT 9.3-A

PRICE AND COST ANALYSIS DECISION MATRIX

ORDER/CONTRACT VALUE

Basis for Decision	$15,000 or Less	$15,001-$99,999	$100,000-$699,999	$700,000 or greater
Competition:	If price considered reasonable, by-pass quotations.	Generally limit to 3 sources	Maximize to extent consistent with requirement	Maximize to extent consistent with requirement
Catalog or Market Price:	Good Source	Acceptable	Acceptable	Acceptable
Past Prices:	Acceptable	Acceptable	Acceptable	No
In-House Estimate:	Acceptable	Acceptable	Acceptable	No
Value Analysis:	Acceptable	Acceptable	Acceptable	No
*Cost or Pricing Data:**	No	No	Permissible (Certification not required)	Certification Required for $700,000 or greater
Negotiation:	Last resort	Permissible	Permissible	Yes

*** Not applicable to commercial items.**

(10/1/2010)

EXHIBIT 9.3-B

PD-10 (Jan-96)

WEIGHTED GUIDLINES PROFIT/FEE OBJECTIVE

1. RFP/REQ OR CONTRACT NO.	2. CONTRACTOR	3. CONTRACT TYPE

COST INPUT TO TOTAL PERFORMANCE

COST CATEGORY a	ANL's COST OBJECTIVE b	WEIGHT RANGE (%) c	ASSIGNED WEIGHT (%) d	WEIGHTED PROFIT/FEE (Col b x d) e
I. Contractor Effort (Applied Cost)				
A. Material acquisitions:				
1. Purchased parts	$	1 to 3		$
2. Subcontracted items		1 to 4		
3. Other materials		1 to 3		
B. Labor skills:				
1. Technical & managerial				
a. Scientific		10 to 20		
b. Project management/administration		8 to 20		
c. Engineering		8 to 14		
2. Manufacturing		4 to 8		
3. Support services		4 to 14		
C. Overhead:				
1. Technical & managerial		5 to 8		
2. Manufacturing		3 to 6		
3. Support services		3 to 7		
D. Other direct costs		3 to 8		
E. G&A (General Management) expenses		5 to 7		
TOTAL				
COMPOSITE PROFIT/FEE ON COST INPUT (Col e ÷ b)				
II. Contract Risk (type of contract-applied to total cost of items (A thru E)		0 to 8		
III. Capital Investment (applied to NBV of Allocable Facilities)		5 to 20		
IV. Other Considerations (applied to total of Profit $ for items I.A thru E)		-5 to +5		
TOTAL PROFIT/FEE/OBJECTIVE				

REMARKS:

DATE	PREPARED BY	SIGNATURE

For Reference Only

EXHIBIT 9.3-B (CONTINUED)

Form PD-10, Weighted Guidelines Profit/Fee Objective (Rev 1/96), is available in PARIS. Use of that form is discussed below.

USE OF WEIGHTED GUIDELINES METHOD OF ESTABLISHING PROFIT/FEE NEGOTIATION OBJECTIVES

The Argonne weighted guidelines method for establishing profit/fee negotiation considers four basic factors: (1) subcontractor effort; (2) subcontract risk; (3) capital investment; and (4) other considerations. The weight ranges shown on the attached form have been adjusted for capital investments, therefore, no additional reduction is necessary for the allowance of Facilities Capital Cost of Money as a cost.

In assigning the various weights as shown on the form, the Buyer/Contract Specialist should consider the following as applicable:

A. MATERIAL ACQUISITION:

1. The managerial and technical effort necessary to obtain the purchased parts, subcontracted items, and other materials.

2. The number of orders and supplies.

3. Whether established sources are available or new sources must be developed.

4. The need for developing complex specifications.

5. The amount of administration required; and

6. Intercompany transfers accepted at a price are treated as other materials. Other intercompany transfers shall be evaluated by cost elements, i.e., material, labor, and overhead.

B. LABOR:

1. Comparison of the level of skills, talents, and experience.

EXHIBIT 9.3-B (CONTINUED)

2. Technical and managerial labor's content as to the amount of notable scientific, unusual or scarce engineering, and top management talent needed in contrast to journeyman engineering personnel, professional staff or closely related support personnel.

3. Project management/administration labor usually consists of project managers, project engineers, and comparable management personnel who are responsible for execution of the program or project. This area usually applies to architect-engineer subcontracts.

4. Manufacturing labor is evaluated by considering the variety and range of required manufacturing labor skills, i.e., department heads, supervisors, skilled and unskilled labor.

5. Support services labor is evaluated in the same manner as above by assigning higher weights to professional type skills and lower values to semiprofessional skilled and unskilled labor. A weight in excess of 9% will only be assigned for labor meeting the standards under 2. and 3. above.

C. OVERHEAD AND G&A EXPENSES:

The analysis of these areas includes the evaluation of the makeup of these expenses and how much they contribute to subcontract performance. Higher weights may be assigned for actions in which greater management is required due to problems which must be solved as in new programs at the cutting edge of the state-of-the-art which generate difficult problems to be solved. Therefore, follow-on awards merit a lower assigned weights.

D. OTHER DIRECT COSTS:

The assigned weight shall be based on the type of costs being proposed, i.e., materials, labor or overhead. Normally the weights should be comparable to the weight assigned for overhead.

EXHIBIT 9.3-B (CONTINUED)

E. SUBCONTRACT RISK:

Subcontract cost risk is directly related to the type of subcontract and the assigned weights should fall into the following ranges:

	Subcontract %		
	Supply	R&D	Service
Cost-Plus-Fixed-Fee	0 to 0.5	0 to 0.5	0 to 0.5
Cost-Plus-Incentive-Fee	1 to 3	1 to 3	1 to 2
Fixed Price Incentive	3 to 6	2 to 5	2 to 3
Firm, Fixed Price	6 to 8	5 to 7	3 to 4

F. CAPITAL INVESTMENT:

This element relates to the facilities used to perform the work under the subcontract. The amount of facilities employed must be computed in accordance with Cost Accounting Standard 414. The key factors to be considered in determining the assigned weight are:

1. Overall cost-effectiveness of the facilities used;

2. Whether the facilities are general purpose or special purpose items;

3. The age of the facilities; and

4. Special subcontract provisions which reduce the subcontractor's risk of recovery of facilities investment.

G. OTHER CONSIDERATIONS:

Particular situations may justify consideration of an additional allowance for profit/fee. The reason for their use shall be documented in the record of price negotiation. Some examples of other considerations are cost control, past accomplishments, complexity of work and amount of operating capital employed.

EXHIBIT 9.3-C

Argonne NATIONAL LABORATORY

ANL-545 (January 19, 2007)

CONTRACTOR'S CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in Section 2.101 of the Federal Acquisition Regulation (FAR) and required under FAR Subsection 15.403-4(a)(1) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the Authorized Laboratory Procurement Official in support of

____

* are accurate, complete, and current as of ______________________________**.

This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Laboratory that are part of the proposal.

Firm ______________________________

Name ______________________________

Signature ______________________________

Title ______________________________

Date of Execution*** ______________________________

~~~~~~

* Identify the proposal, quotation, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP No.)

** Insert the day, month, and year when price negotiations were concluded and price agreement was reached.

*** Insert the day, month, and year of signing, which should be as close as practicable to the date when the price negotiations were concluded and the contract price was agreed to.

For Reference Only
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9.3.2 LEASE/BUY ANALYSIS

a. Procurement personnel will evaluate all leasing acquisitions and acquisitions involving contracts with real property leasing cost elements to:

(1) Determine if the lease requires capital equipment or operating funds;

(2) Determine whether required equipment or property should be purchased or leased at the time of original acquisition and also when lease renewals are being considered;

(3) Ensure that acquisition of real estate by lease:

(a) Shall not exceed a one-year term if funded by one-year appropriations;

(b) May exceed a one-year term when the lease is for special purpose space funded by no-year appropriations and approved by DOE; and

(c) Shall contain an appropriate cancellation clause.

(4) Ensure lease with option-to-purchase awards clearly state the purchase price at any time during the performance period, or provides a formula to calculate the purchase price; and

(5) Ensure the cost price analyst receives the following information for any lease/buy analysis:

(a) Cost to purchase the item;

(b) Down payment if required;

(c) Lease payment per month;

(d) Length of lease;

(e) Expected useful life; and

(f) Value at the end of the lease if said value is guaranteed to the lessor by the lessee.

b. Procurement personnel will evaluate the results of the cost/price analyst's lease review and will:

(1) Notify the requisitioner and Budget Office if capital equipment dollars are required and withhold award until proper funds are received;

(2) Obtain advance approval from DOE prior to any decision to enter into a capital lease;

(3) Ensure that any resultant equipment lease with option-to-purchase includes clause, *Option To Purchase Equipment* (see Section 10.3, item 2.d);

(4) Ensure that the clause, *Acquisition of Real Property* (see Section 10.3, item 2.a), is included in all subcontracts involving cost elements for acquiring real property through outright purchase, lease or acquisitions through easement, licenses or permits; and

(5) Evaluate the cumulative rental/lease payments over the rent/lease period to identify variations in the payment stream that could affect the benefit received as disclosed under CAS.

9.3.3 PRICE ESCALATION - ECONOMIC PRICE ADJUSTMENT

a. Firm fixed-prices should be used whenever possible. If, on the basis of market conditions or previous solicitations for like items, it is known that firm, fixed-price solicitations will unnecessarily restrict competition or unreasonably increase solicitation prices, solicitations may include an approved escalation clause.

(1) Solicitation responses that are received with escalation provisions, which must contain a ceiling, should be evaluated on the maximum possible escalation of the quoted base price; and

(2) A clear basis for evaluation and administration of escalation must be established before a contract, purchase order or agreement is executed.

b. It may be necessary to design a special escalation clause to fit a specific procurement. Such clauses, which must contain a ceiling, are the result of negotiations conducted by personnel of the Procurement Department. Escalation clauses may contain a simple percentage of the base price. They may also be based on changes in material prices or on changes in labor costs. These changes should be tied to agreed-upon published statistics or indices and must be objectively determinable.

c. Any escalated price must be satisfactorily justified by the supplier. The basis and method of such justification should be explained in the procurement file.

9.3.4 COST SAVINGS/COST AVOIDANCE

Cost savings/avoidance data is compiled and used to evaluate the operational effectiveness and efficiency of the Procurement Department. To qualify as a reportable cost savings/avoidance, the cost reduction must have been the result of a planned and deliberate action, initiated and taken by the buyer/contract specialist, which resulted in the reduction of cost, or an avoidance of a higher cost that would have occurred had the action not been taken.

a. The following *are* examples of reportable cost savings/avoidance which are forwarded to the cost/price analyst:

(1) Price reductions resulting from the negotiation process;

(2) Price reductions resulting from use of the competitive bidding process in lieu of a requested single source procurement action;

(3) Price reductions resulting from buyer/contract specialist recommended specification changes;

(4) Price reductions resulting from buying items in economic order quantities in lieu of odd-lot buying;

(5) Savings resulting from buyer/contract specialist conducted market surveys; and

(6) Savings resulting from buyer/contract specialist recommendations to use excess materials in lieu of purchasing new materials.

b. The following *are not* examples of reportable cost savings/avoidance:

(1) Price reductions resulting from routine competitive bidding process;

(2) Application/use of vendor offered discounts and other vendor cost savings initiatives;

(3) Savings resulting from use of Government Service Administration (GSA) contracts in lieu of open market place pricing; and

(4) Differences between the requisition amount and the contract award amount.

(5) Correction of math errors discovered in supplier proposals/offers.

9.3.5 COST ACCOUNTING STANDARDS

a. The application of Cost Accounting Standards (CAS) principles are designed to achieve uniformity and consistency in the cost accounting practices used by suppliers under negotiated contracts and subcontracts.

b. Laboratory procurement personnel will obtain *Cost Accounting Standards Certifications* to determine the type of CAS coverage applicable to an acquisition. The following type of actions are exempt from CAS:

(1) Sealed bid contracts;

(2) Negotiated contracts and subcontracts not in excess of $550,000;

(3) Contracts and subcontracts with small businesses;

(4) Contracts and subcontracts with foreign governments or their agents or instrumentalities;

(5) Contracts and subcontracts in which the price is set by law or regulation;

(6) Contracts and subcontracts for commercial items;

(7) Contracts and subcontracts awarded to a United Kingdom (U.K.) supplier for performance substantially in the U.K., provided that the supplier has filed with the United Kingdom Ministry of Defense, for retention by the Ministry, a completed Disclosure Statement (Form CASB-DS-1) which shall adequately describe its cost accounting practices. Whenever that supplier is already required to follow U.K. Government accounting conventions, the disclosed practices shall be in accord with the requirements of those conventions;

(8) Contracts under the North Atlantic Treaty Organization (NATO) Ship Program to be performed outside the United States by a foreign concern;

(9) Contracts and subcontracts to be executed and performed entirely outside the United States, its territories, and possessions;

(10) Firm fixed-price contracts or subcontracts awarded without submission of any cost data; provided that the failure to submit such data is not attributable to a waiver of the requirement for certified cost or pricing data; and

(11) Fixed-Price Contracts and Subcontracts with economic price adjustments where the adjustments are not based on actual costs incurred.

c. Laboratory procurement personnel are responsible for:

(1) Reviewing CAS certifications, disclosure statement and the *CAS Applicability Matrix* (**Exhibit 9.3-D**), and determining an appropriate course of action;

(2) Incorporating appropriate CAS clauses into the contract as follows (see Chapter 10):

(a) Include the following contract clauses in contracts or agreements subject to CAS:

i) Cost Accounting Standards

ii) Disclosure and Consistency of Cost Accounting Practices, or Administration of CAS

(b) For educational institutions, the following clauses should be substituted for the appropriate clauses above:

Cost accounting Standards - Educational Institutions and Disclosure and Consistency of Cost Accounting Practices - Educational Institutions

9.3.6 CASH WITH ORDER

When a supplier will only do business on a cash basis, and alternate sources of supply are not readily available, purchase orders can be placed on a cash with order basis. All cash with order disbursements in excess of $25,000 require Procurement Manager approval.

a. When the order is ready to be placed, the requisition is noted cash with order in the cash terms space.

b. The supplier's copy of the purchase order is forwarded to Accounts Payable with an attachment if the purchase order requires special instructions for mailing.

9.3.7 ADVANCE PAYMENTS

a. Advance payments are advances of money made to a supplier prior to, in anticipation of, and for the purpose of, complete performance under a contract, purchase order or agreement. Advance payments differ from partial, progress, milestone, or other payments measured and made on the basis of performance and/or delivery. **Because advance payments are not based upon performance, advance payments shall be last in the order of preference to be considered as a form of contract financing made available to suppliers**;

b. Requests for advance payment shall not disqualify otherwise acceptable suppliers from consideration for award. Circumstances may occur, especially with small business concerns or minority business concerns, in which advance payments may be more beneficial to the Laboratory and to the government, and more suitable to the situation of a supplier or potential supplier, than other methods of contract financing;

c. When planning to include advance payments as part of an order, consideration should be given to charging interest on the unliquidated balance of all advance payments at a rate comparable to current commercial interest rates (approximate current prime rate plus 1%);

d. Where advance payments are the *practice of the trade* such as the procurement of subscriptions, or are otherwise allowed by regulation or law, the provisions of this guideline will not apply;

e. Prior to establishment of a purchase order, contract or agreement providing for advance payment, a careful study of the potential supplier should be made. There should be a financial, as well as a technical and engineering evaluation, of the proposed supplier and facilities. The depth of this survey should relate to the amount of advance payments requested;

f. Procurement personnel should obtain Legal Department advice when purchase orders, contracts or agreements with advance payment requirements are to be performed in foreign countries. The advice should be with respect to the validity, enforceability and effectiveness of the contemplated advance payment provisions, and of any proposed guarantees, pledges or other special protective arrangements with the foreign country involved;

g. Purchase orders, contracts or agreements shall not provide for advance payments of more than 50% of the total cost (unless Procurement management approval is obtained for a higher amount) and no advance payment may be made for profit or fee;

h. Procurement must obtain suitable security and guarantees of performance to prevent the risk of monetary loss to the Laboratory and to the government. Because of variations in circumstances of individual cases, no fixed rule can be set for determining the adequacy in a particular case. The total amount of advance payment, complexity of the procurement and structure of the prospective supplier, must all be considered in fixing the amount of security necessary;

i. Careful and close administration of the purchase order, contract or agreement must be maintained by the buyer/contract specialist; and

j. The procurement file must reflect the total effort and decision to provide advance payments.

9.3.8 PROGRESS PAYMENTS

a. Progress payments are a method to provide financing when the impact of private financing of the work is so adverse as to impair the supplier's ability to fulfill the purchase order, contract, or agreement.

b. Progress payments are made on the basis of the progress the supplier makes towards completion of a purchase order, contract, or agreement, and are based on total costs incurred by the supplier as work progresses under the award and should be used when:

(1) The period between the beginning of work and the first authorized billing date will exceed six (6) months (four (4) months for small business concerns);

(2) The procurement will involve a substantial accumulation of predelivery expenditures that may have a material impact on the supplier's working funds; and

(3) Estimates indicate that the procurement will amount to approximately $100,000 or more with at least a twelve (12) month performance period, and that responses are likely to be submitted by one or more small business concerns.

c. Provision for progress payments ordinarily will not be made when:

(1) The procurement is estimated to be less than $100,000; or

(2) The procurement is for quick turnover items or kinds for which pre-delivery financing by progress payments is not the custom or practice on sales by members of the industry to private commercial customers such as subsistence, clothing and apparel, off-the-shelf items and standard commercial items or equivalent items (including medical and dental supplies) not requiring substantial accumulation of pre-delivery expenditures.

d. The maximum customary progress payment rate is 90 percent applicable to the total costs of performing the award.

e. Any rate higher than that permitted in paragraph d. above is considered to be an unusual progress payment. The supplier must justify its actual need for use of an unusual progress payment rate, and the use of an unusual progress payment rate requires the specific approval of a Procurement Manager.

f. Upon determination by the buyer/contract specialist of the applicability of progress payments, the buyer/contract specialist shall include provisions for progress payments in the solicitation:

(1) The solicitation shall state that provision for progress payments will be made;

(2) The solicitation shall state that the need for progress payments will not be considered as a handicap or adverse factor in awards, and that proposals/quotations, including request for progress payments, will be evaluated on an equal basis with proposals/quotations not including request for progress payments; and

(3) If it is determined that progress payments should not be reasonably necessary for prospective suppliers other than small business concerns, the provisions for progress payments will be supplemented by a notice in the solicitation that the progress payment clause will be available only to small business concerns.

g. Responsibility of Supplier:

Prior to an award containing progress payments, procurement must determine, using Laboratory internal audit or other government audit and resources as appropriate, that a prospective supplier qualifies for progress payments in the areas of:

(1) Reliability;

(2) Satisfactory financial condition; and

(3) Adequacy of accounting and control system for the proper administration of progress payments. If the supplier's accounting system and controls have been found (by experience or by audit examination) to be sufficient and reliable for segregation and accumulation of supplier costs, no further examination should be necessary as long as the efficiency and reliability of the supplier's system and controls are maintained. In all doubtful cases, including awards with suppliers with whom procurement has had no experience within the preceding twelve (12) months, the adequacy of the supplier's accounting system, and controls shall be determined, and any necessary changes accomplished. For this purpose, payment/performance bonds shall be considered to evidence financial responsibility and adequacy of the accounting system, audit examination should be utilized to the greatest extent practicable to conserve

administrative effort, hold down expenses, and promote prompt payment of proper progress billings. Audit before the making of progress payment should be kept to a minimum necessary for the protection of the interest of the Laboratory. Pre-audit, that is, audit before the making of a progress payment, should be limited to those situations in which there is a reason to question the reliability or accuracy of the supplier's certificate or reason to believe that the contract will involve a loss.

h. The purchase order, contract, or agreement shall cover the following:

(1) Computation of amounts;

(2) Liquidation of progress payments;

(3) Reduction or suspension of progress payments;

(4) Title and risk of loss;

The Title Provision of the contract, purchase order, or agreement shall provide for the vesting of title directly in the government to all of the materials, work in process, and finished goods after the making of progress payments;

(5) Accounting and reports;

(6) Default;

(7) Reservations of rights; and

(8) Submission of proper invoice.

Any invoice submitted for progress payment must be accompanied by the information on lines 1-19, as well as a properly executed certification on GSA Standard Form 1443, *Contractor's Request For Progress Payment*, available at http://www.gsa.gov/.

i. Buyer contract specialist:

(1) Incorporates terms of progress payments into purchase order/subcontract;

(2) Obtains required approvals;

(3) Administers progress payments by:

(a) Ensuring that the technical division evaluates physical progress of work;

(b) Ensuring that the technical division approves requests for progress payments submitted by supplier;

(c) Ensuring that Accounts Payable issues progress payment checks only after the technical division approval is obtained;

(d) Prohibiting unliquidated progress payments to exceed established limits; and

(e) Monitoring overall financial condition and overall operations of the supplier.

j. There is no requirement for a separate consideration for providing progress payments or changing payment or liquidation rates, if coverage is included in the terms of the awards.

k. On occasion, circumstances arise during performance that result in the award being amended to include progress payments. In such cases, adequate new consideration by the supplier is required. The supplier may provide new considerations by monetary or non-monetary means.

9.3.9 MILESTONE PAYMENTS

a. Milestone Payments are a method to provide payment to a supplier for delivery or completion of a portion of the work, prior to final completion of all work.

b. Milestone Payments are based on a specified deliverable or event, with a specified due date, for which the Laboratory has agreed to pay a specified amount based on a comparable amount commensurate with the value of work completed and accepted.

c. Release of a Milestone Payment is contingent upon acceptance of the deliverable or verification of the event by the Laboratory.

d. The purchase order, contract or agreement shall cover title, risk of loss, and other issues necessary to protect the best interests of the Laboratory.

9.3.10 PAYMENT BY ELECTRONIC FUNDS TRANSFER

The Laboratory's standard method of payment is by check. Payment by electronic funds transfer (EFT) may be considered as a special method of payment when it is deemed to be in the best interests of the Laboratory.

When payment by electronic funds transfer is negotiated in the award of a procurement, the special clause entitled *Payment by Electronic Funds Transfer* (see Section 10.3, item 3.j.) shall be incorporated into the award, in addition to the standard payment provisions.

9.3.11 SPECIAL DISTRIBUTION REQUIREMENTS FOR REVENUE GENERATING/RESERVE ESTABLISHMENT CONTRACTS

a. Definitions

Revenue Generating/Reserve Establishment Contract. A contract that produces income for the Laboratory, or contracts that provide for accrual of payments or commissions to the Laboratory on a recurring basis. Examples are the Argonne service station, guest house, vending machines, scrap sales, or cafeteria contracts which provide for payments to the Laboratory, or travel services and airline rebate agreements which generate income in the form of commissions/rebates.

b. All financial information or reports, to include but not limited to profit/loss, rebate, refunds, and commissions reports, which are required by the contract(s) **shall** be provided to the Chief Financial Officer (CFO) each time they are required to be submitted by the contractor. This distribution is in addition to the Technical Representative or other entity receiving such financial information or reports as may be specified in the contract(s).

c. Exceptions

The following information is not required to be provided to the CFO:

1) Pre-Award financial statements used to determine financial capability in anticipation of award of a contract or order;

2) Cost accounting standards certification or changes that may be submitted during performance of the contract;

3) Cost or pricing data submitted in response to the Truth In Negotiations Act (TINA) for negotiated contracts in excess of $700,000; and

4) The contractor's certification as to the accuracy, currency, and completeness of its cost or pricing data.

9.4 SOURCING, AWARDING, AND ADMINISTRATION OF CONTRACTS, PURCHASE ORDERS, AND AGREEMENTS

9.4.1 PROFESSIONAL, TECHNICAL AND GENERAL PERSONAL SERVICES

a. Consultants and other individuals may be placed under contract to augment and strengthen the activities of Argonne divisions by using individuals who have highly specialized knowledge and skills on a short-term basis.

b. Consultant services include those services made available by a private individual, acting on their own behalf, who provide expert advisory services of a technical or professional nature on a fee or per diem basis. These individuals are normally exceptionally qualified by education or experience in a particular field.

c. Other professional/technical services include those services made available by individuals, whether on their own behalf or as employees of a supplier, to provide a product or perform a specific work effort.

d. Upon receipt of an HR-approved PARIS purchase requisition folder, including form ANL-451, form ANL-482A (Exhbibit 9.4-A) and, if appliable form ANL-482B (Exhibit 9.4-B), requiring the services of an individual (doing business as an individual, organized as any other business type, or under the employ of any other business entity), the buyer/contract specialist will process the requisition for action.

   Procurement personnel negotiates reasonable compensation rates and verifies fees and/or billing rates, obtains DOE-ASO approval where required by the Prime Contract, and prepares and awards the appropriate contract instrument to engage the individual's services in accordance with established procurement policies. It is preferred that the award instrument indicate that billing from the contractor be on a monthly basis. Procurement forwards a supply of form ANL-19, *Consultant Service and Travel Voucher* (Exhibit 9.4-C), to the supplier for monthly invoice submittals.

   If the individual is from a university, the Buyer/Contract specialist attempts to contract with the individual if a mutual understanding can be reached with the university.

   Procurement provides notice to Accounting when a contract with an individual independent contractor is awarded.

e. Buyers/contract specialists should note that contracts with consultants or other individuals providing professional or technical assistance may be subject to:

(1) DOE approvals of foreign nationals, Organizational Conflicts of Interest (OCI), and/or Facility Clearance; and/or

(2) Laboratory Human Resources (HR) approvals of former Laboratory employees, individuals performing work that could be performed by another Laboratory division, or individuals performing work that may covered by a collective bargaining agreement.

f. Consultant contracts should not be written for:

(1) Individuals who are acting in an "employee like" capacity, that is, operating under the direction or guidance of Laboratory personnel;

(2) Contracts with suppliers to provide individuals by name;

(3) Architectural & engineering services;

(4) ADP/telecommunications functions;

(5) Research on theoretical mathematics and basic medical, biological, physical, social, psychological, and other phenomenon;

(6) Engineering studies related to specific physical or performance characteristics of existing or projected systems;

(7) The day-to-day functions related to the operation of the Laboratory;

(8) Clinical medicine;

(9) Services of a managerial or administrative nature performed as a simultaneous part of and nonseparable from specific development, production or operations support activities;

(10) Furtherance of statutorily mandated advisory committees;

(11) Initial training, training aids, and technical documentation acquired as an integral part of a lease or purchase of equipment;

(12) Routine maintenance of equipment, routine administrative services (including, but not limited to, mail, reproduction, telephone services), printing services, and direct advertising (media) costs;

(13) Auctioneers, realty brokers, appraisers and surveyors;

(14) The National Foreign Intelligence Program;

(15) The General Defense Intelligence Program;

(16) Tactical Intelligence and related activities;

(17) Retroactive authorization of consultant services already provided; or

(18) Any work of a policy, decision making, or managerial nature that is a direct responsibility of Argonne officials.

9.4.2 SUPPLIER AUDITS AND SURVEYS (CAPABLE AND RELIABLE)

a. Audits and or surveys may be performed at the discretion of the Procurement Department to determine the responsibility, capability, and reliability of a supplier or potential supplier.

b. Capability audits/surveys are normally considered for complex high-dollar requirements, nuclear facility (PAAA) requirements, and critical requirements, especially for those components that have been designated as potential suspect/counterfeit items. The request for a capability audit/survey usually originates from the requesting division's quality assurance representative (QAR).

(1) The buyer/contract specialist is responsible for arranging the site visit, providing the scope of survey, copy of the solicitation, specifications, and drawings, QA program manuals and procedures, as needed, to the team who will perform the capability audit/survey. As necessary, the buyer/contract specialist will participate in the audit/survey.

(2) Audit/survey findings will be incorporated into the evaluation of the supplier; and

(3) The audit/survey report will be retained in the procurement file with a copy provided to the Procurement Services Section.

c. Contract or accounting system audit/surveys may be performed during the planning, evaluation, or administration phase of the procurement cycle to evaluate a supplier's price proposal or determine the adequacy of a supplier's accounting system. The staff cost price analyst and or the APS Project Controller will be responsible for performing or arranging for the performance of an evaluation of a suppliers accounting and financial management system when requested by the buyer/contract specialist.

(1) Pre-award contract audit is required for awards in excess of $1,000,000. Pre-award contract audits may be waived by the Argonne Procurement Manager;

(2) Audit input may be obtained from Argonne Internal Auditing, the APS Controller, or Cognizant Government Audit Agency;

(3) Preaward audit/survey may be considered for procurements of less than the above stated values when knowledge of accounting and cost systems is inadequate, previous experience with the suppliers estimating, accounting, or purchasing system is unfavorable, or the supplier has a history of unfavorable quality; and

(4) Audits may be conducted as part of the administration of a cost type contract to verify cost information on which payments are to be based, or to verify total costs incurred as part of a close-out audit, as necessary.

9.4.3 SPLIT AWARDS-AGGREGATE AWARDS

a. Some procurements may involve a number of items, and offers may be requested and received from several suppliers. Normally, split awards will be made if a total savings of more than $500 can be realized. The cost to Procurement, Accounts Payable, Accounts Receivable, Receiving, and Stores does not justify less than this amount. The file shall be noted by the buyer/contract specialist to explain the action taken.

NOTE: Split awards should not be made where parts or products must be compatible with other items of the solicitation.

b. The compatibility, similarity, or quantity of some items to be included on a solicitation may indicate that the items should be grouped and awarded *"in the aggregate"* (by the total offer for the group). The solicitation documents must include notification that award will be made "in the aggregate" for specific groups of items. If no offers are received for all items in a group, award shall be made on the low aggregate offer for the greatest number of items in the group in which responsive offers were received. Documentation should be included to explain actions taken.

9.4.4 EXPEDITING

Expediting includes any specific action taken to prevent or remedy delays that may occur or threaten to occur during supplier performance; such as the processing of RUSH orders that are needed in less than normal lead time, checking on orders to determine status and progress, or follow-up activity for orders that are overdue. Expediting is handled on an exception basis, usually at the request of the requisitioner. As long as the contract is progressing satisfactorily, the supplier should handle any expediting it requires, since responsibility for performance rests with the supplier.

9.4.5 RECEIVING-EXCEPTIONS/REJECTIONS

a. Exceptions/rejections are understood to include material not as ordered, not on order, damages, service incomplete, over and short shipments, differences between suppliers' packing list and items received and any of the discrepancies between item(s) ordered and goods delivered that require procurement action.

b. When clearing exceptions or discrepancies, procurement personnel must clearly and legibly show the details of actions taken, so that any additional requirements for expediting or review will be facilitated.

c. When material is to be returned, a *Shipping Order*, form ANL-126C **(Exhibit 9.4-D)**, must be prepared. The form ANL-126C serial number *must always be shown on the exception report.*

d. Discrepancies on deliveries of Stores standing order items are reported as a PARIS exception. Overshipments of Stores material need not be reported:

(1) If the excess quantity is 20% or less, and/or

(2) If the value of the overshipment is $25 or less, and

(3) If the overage can be retained and used within the Stores system.

e. Discrepancies on deliveries against PARIS orders. Receiving will notify Procurement.

f. On those standing orders used and administered by other departments (e.g., library books, TIS), the exceptions/discrepancies/returns are handled by the using department.

g. Some discrepancies are not discovered until the material is inspected or used by the requisitioner. When this occurs, the requisitioner should notify Receiving of the problem and include the supporting details. If the problem requires that the defective material be returned to the supplier, the requisitioner shall return the defective material to Shipping for processing of the return shipment.

Receiving should prepare a corrected receiving report and any other documents and transmit the details of the exception to the proper procurement personnel.

9.4.6 GOVERNMENT PROPERTY-SUPPLIER CONTROL

The guidelines to be applied in control, accountability, and disposition of government-owned property either furnished to, acquired by, or fabricated by suppliers with government funds for performance of Laboratory work under a subcontract, purchase order, or agreement are set forth in Chapter 10 of the Property Management Manual.

Buyers/Contract Specialists shall ensure that appropriate articles and clauses (i.e., special tooling, title, government property, **Exhibit 9.4-E**, Control of Government Property-Contractor Requirements, as applicable) are included in subcontracts, purchase orders, or agreements that specify subcontractor/supplier accountability requirements for government-owned property in their possession. In addition, suppliers shall be requested to complete form ANL-642, Property Management Self-Evaluation Questionnaire, **Exhibit 9.4-F**, prior to award of any contract, order, or agreement containing the clause entitled "government property."

Buyers/Contract Specialists shall ensure that the Property Management (OCF-PPIM) Department receives a copy of each contract, purchase order, or agreement under which government property is either purchased by or transferred to a supplier in accordance with Exhibit 9.4-E.

9.4.7 PROCESSING SHIPPING DOCUMENTS

a. Shipping orders requested in connection with a procurement are generally based upon a Receiving Department Exception or Rejection Report, resulting in a return-to-supplier action. Procurement actions requiring delivery of government-owned material or equipment to a supplier also use shipping orders.

b. Requests for shipments applicable to procurement actions are initiated by the Buyer/Contract Specialist through the preparation of Form ANL-126C, Shipping Order (Exhibit 9.4-D), and processed through the PARIS System, Shipping Order Procedure. Only a Procurement Official can create a shipping order against a PARIS award. The Buyer/Contract Specialist will route the Shipping Order to the requestor to complete and electronically route to the Shipping Department. This process automatically backs out the receipt of the item being returned, and will often be tied to a Receiving Department Exception or Rejection Report. The completed shipping order should contain all the information required on the form. Other information that may be required to clarify any special considerations such as prepaid or collect shipments, ownership, the value of the property, unique supplier-owned shipping instructions, and identification and certification of any applicable hazards are added to shipping orders.

9.4.8 DOCUMENTATION REQUIREMENTS

All Laboratory procurements (award actions) require documentation commensurate with the dollar value and complexity of the acquisition. The PARIS parameters shall be correctly coded/completed. All documents pertaining to the acquisition shall be contained in the PARIS file.

a. For awards $25,000 or less, a summary in addition to the usual file contents is not required unless award is made to other than small business, or complexity and special circumstances warrant additional documentation.

b. For awards over $25,000 and less than $100,000, a summary similar to those at **Exhibit 9.4-G**, **Exhibit 9.4-H**, or **Exhibit 9.4-I** is normally included in the file.

c. For awards of $100,000 and more, a summary similar to **Exhibit 9.4-G** and **Exhibit 9.4-H** and/or memorandum to file are required (work orders still use **Exhibit 9.4-I**). Summaries or memorandums must address, at a minimum, the following pertinent details:

(1) Authorization;

(2) Socioeconomic considerations and justification for selection of the supplier;

(3) Determination of price reasonableness and the basis for that determination;

(4) Technical evaluation summary, if applicable;

(5) Negotiation summary, if applicable;

(6) Summary of modifications to award formats, terms, conditions, or other provisions (including any required legal reviews) as applicable; and

(7) Other supporting details as necessary (e.g., market survey results, number of sources solicited and number of responses received, OCI determination, Facility Clearance, determination, supplier certifications obtained, subcontracting plans, property, retroactive procurement, special approvals).

9.4.9 SYNOPSIS OF PROPOSED PROCUREMENTS

a. When soliciting competitive offers, an *adequate* number of qualified sources (i.e., reasonable expectation that at least two offers will be received from responsive and responsible offerors) are normally contained on Argonne National Laboratory's bidders/offerors list located in the local area. Solicitation of those firms is usually adequate to promote effective and efficient competition.

b. When there is an insufficient number of qualified sources available and it is necessary to establish a solicitation list, one method, or a combination of methods, listed below may be employed to develop such a list:

- Enhance ANL's bidders/offerors list;
- FedBizOps/Commerce Business Daily (FBO/CBD);
- Thomas Register;
- Dodge Report;
- Local daily newspapers;
- Other public notices;
- Trade journals; or
- Similar publications.

c. In the event the CBD method is used for source development, the FedBizOps/Commerce Business Daily synopsis will be posted electronically through the FedBizOps/Commerce Business Daily. **Exhibit 9.4-J** contains the required information fields used in the preparation of notices to the FedBizOps/Commerce Business Daily. **Exhibit 9.4-J** also contains the classification codes for the notice.

(1) In order to properly publish a FBO/CBD notice by electronic submission, the following steps must be taken:

(a) Coordinate the Request for Proposal (RFP)/Request for Quotation (RFQ), or Request for Information (RFI) process to incorporate publication of a notice in the FBO/CBD;

(b) Prepare and review completed synopsis of the proposed procurement action for content and ensure that all FBO/CBD required information fields in **Exhibit 9.4-J** have been included;

(c) Procurement Services personnel will:

(i) Validate the submitted FBO/CBD Notice, and will log and transmit the synopsis on the FBO/CBD Web site.

(ii) Print the notice after acceptance. FBO/CBD notices are viewable immediately after acceptance.

(iii) Provide a copy of the FBO/CBD synopsis to the original requestor as well as buyer/contract specialist for the purchase order/contract file.

9.4.10 MISTAKE IN OFFER (BID)

a. If a bidder requests permission to correct a mistake in bid before award, and clear and convincing evidence establishes both the existence of the mistake and the bid actually intended, the Laboratory may permit the bidder to correct the mistake *provided that,* if the correction would result in displacing one or more lower bids, the Laboratory shall not permit correction unless the existence of the mistake and the bid actually intended are ascertainable substantially from the IFB and the bid itself.

b. If a bidder requests permission to withdraw a bid rather than correct it before award, and the evidence is clear and convincing both as to the existence of a mistake and the bid actually intended, and the bid, both as uncorrected and corrected, is the lowest received, the Laboratory may permit correction and not permit its withdrawal.

c. If, under paragraphs "a" or "b" of this section, the evidence of a mistake is clear and convincing only as to the mistake but not as to the intended bid, or the evidence reasonably supports the existence of a mistake but is not clear and convincing, the Laboratory may permit the bidder to withdraw the bid.

d. If the evidence does not warrant a determination under paragraphs a, b, or c of this section, the Laboratory may determine that the bid can be neither withdrawn nor corrected.

e. Any clerical mistake, apparent on its face in the bid, may be corrected by the Laboratory before award. Examples of apparent mistakes include obvious misplacement of a decimal point; obviously incorrect discounts (for example, 1 percent 10 days, 2 percent 20 days, 5 percent 30 days); obvious reversal of the price f.o.b. designation and price f.o.b. origin; and obvious mistakes in designation of unit.

f. The Laboratory shall not permit correction of bids to make them responsive.

g. The Laboratory may permit the correction of mistakes in bids alleged after award if correcting the mistake would be favorable to the Laboratory without changing the essential requirements of the specifications. In addition or as otherwise authorized by law, the Laboratory may make a determination to rescind a contract; to reform a contract; or, that no change shall be made in the contract if not warranted by the evidence.

h. The request of a bidder to correct or withdraw a bid either before or after award must be supported by written statements (sworn statements, if possible) and shall include all pertinent evidence such as the bidder's file copy of the bid, the original worksheets and other data used in preparing the bid, subcontractor's quotations, if any, proposed price lists, and any other evidence that establishes the existence of the mistake, the manner in which it occurred, and the bid actually intended.

i. If the bidder fails or refuses to furnish evidence supporting a suspected or alleged mistake, the Laboratory shall consider the bid as submitted unless (1) the amount of the bid is so far out of line with the amounts of the other bids received or with the amount estimated by the Laboratory to be reasonable, or (2) there are other indications of error so clear as to reasonably justify the conclusion that acceptance of the bid would be unfair to the bidder or to other bona fide bidders.

j. Mistakes in proposals on negotiated procurements are usually resolved by (1) clarification, provided the resulting communication does not prejudice the interests of other offerors, or (2) discussion. When award without discussion is contemplated, the Laboratory shall follow the procedure set forth in this section.

k. The concurrence of the Legal Department shall be obtained before any action is taken under this section.

EXHIBIT 9.4-J

Fed Biz Opps (FBO)

Provide the following information fields in the preparation of notices to the FBO:

1. Action Code

Identify the type of action for the synopsis. The choices are the following:

P = Presolicitation Notice*
A = Award Notice
M = Modification to a Previous Presolicitation Notice
R = Sources Sought Notice
S = Special Notice
F = Foreign Government Standard
G = Sale of Surplus Property

**Includes sole source contracts and other proposed contract actions.*

2. Classification Code

Select the correct **service** (one alphabetic code) or **supply** (two digit code) that the synopsis should be listed under.

3. Subject

A brief title description of the synopsis (200 characters + spaces max).

4. Response Date

The deadline for the receipt of bids. Leave blank if a definite response date has not been established and provide narrative information in the description (Item 12).

NOTE: This field is required for the Presolicitation, Modification to a Previous Presolicitation and Sources Sought Notices. (It is optional for other types of notices)

5. Primary POC and Secondary POC

The names and phone numbers of officials to contact in regard to this synopsis.

6. Solicitation Number

Argonne's reference number for the synopsis.

NOTE: This field is required for the Presolicitation and Modification to a Previous Presolicitation Notice. (Optional for other types of notices.

7. Description

The narrative description of the procurement action in a MS Word file. Always use grammatically correct capitalization in the item. Do not use this field for award submissions.

8. Place of Performance

9. Set-Aside (Choose one of the following):

N/A
Partial Small Business
Partial HBCU
Total Women-owned Business
Total HUB-Zone
Total Small Disadvantage Business
Total Small Business
Total HBCU
Partial Women-owned Business
N/A = Unrestricted
Partial HUB-Zone
Partial Small Disadvantage Business

10. Contract Award Number

For awards only.

11. Contract Award Dollar Amount

For awards only, the value of the contract.

12. Contract Line Item Number

For awards only, when appropriate, list the contract's appropriate line item number.

13. Contract Award Date

For awards only.

14. Contractor

For awards notices only, the name and address of the awardee.

15. Archives

Archiving Policy: Synopsis and associated documents may be scheduled for archiving 15 days after the response date, or upon a user-specified date subsequent to the posting date, or left unscheduled and manually archived later. The latest archiving date chosen for a synopsis or any associated document will become the effective archiving date for the entire document set.

* Year must be specified with a full four characters, e.g., "2000" instead of "00".

Archiving Policy:

_ Automatic, 15 days after response date
_ Automatic, on specified date - Month ___ Day ___ Year ___
_ Manual archive

Service Codes

CODE TITLE

A. Research and Development

Examples:
Basic Scientific Research
Applied Research and Exploratory Development
Advanced Development of Hardware for Testing, Engineering Development

B. Special Studies and Analysis - Not R&D

Examples:
Air Quality Analyses
Archaeological/Paleontological Studies
Chemical/Biological Studies and Analyses
Cost Benefit Analyses
Data Analyses (other than scientific)
Economic Studies
Endangered Species Studies - Plant and Animal
Environmental Studies and Assessments
Feasibility Studies (non-construction)

Animal and Fisheries Studies
Geological Studies
Geophysical Studies
Geotechnical Studies
Grazing/Range Studies
Historical Studies
Legal Studies
Mathematical/Statistical Analyses
Natural Resource Studies
Oceanological Studies
Recreation Studies
Regulatory Studies
Scientific Data Studies
Seismological Studies
Soils Studies
Water Quality Studies
Wildlife Studies
Medical and Health Studies
Intelligence Studies
Aeronautic/Space Studies
Building Technology Studies
Defense Studies
Educational Studies and Analyses
Energy Studies
Technology Studies
Housing and Community Development Studies
Security Studies (Physical and Personal)
Accounting/Financial Management Studies
Trade Issue Studies
Foreign Policy/National Security Policy Studies
Organization/Administrative/Personnel Studies
Mobilization/Preparedness Studies
Manpower Studies
Communications Studies
Acquisition Policy/Procedures Studies
Elderly/Handicapped Studies

C. Architect and Engineering Services - Construction

Examples:
Administrative and Service Buildings
Airfield, Communication and Missile Facilities
Educational Buildings
Hospital Buildings
Industrial Buildings
Residential Buildings
Warehouse Buildings
Research and Development Facilities
Other Buildings
Conservation and Development
Highways, Roads, Streets, and Bridges
Electric Power Generation (EPG) Utilities
Other Non-Building Structures
Restoration
Architect - Engineer Services, (non-construction)
Engineering Drafting Services
A&E Inspection Services (non-construction)
A&E Management Engineering Services
A&E Production Engineering Services
Marine Architect - Engineer Services

D. Information Technology Services, including Telecommunication Services

Examples:
ADP Facility Operation and Maintenance Services
ADP Systems Development Services
ADP Data Entry Services
ADP Telecommunications and Transmission Services
ADP Teleprocessing and Timesharing Services
ADP Systems Analysis Services
Automated Information System Design and Integration Services
Programming Services
Information and Data Broadcasting or Data Distribution Services
ADP Backup and Security Services
ADP Data Conversion Services
ADP Optical Scanning Services
Computer Aided Design/Computer Aided Manufacturing (CAD/CAM) Services

ADP System Acquisition Support Services, includes preparation of statements of work, benchmarks, specifications, etc.
Digitizing Services, includes cartographic and geographic information
Telecommunications Network Management Services
Automated News Services, Data Services, or Other Information Services. Buying data, the electronic equivalent of books, periodicals, newspapers, etc.

E. Purchase of Structures and Facilities

F. Natural Resources and Conservation Services

Examples:
Aerial Fertilization/Spraying Services
Aerial Seeding Services
Forest/Range Fire Suppression/Presuppression Services
Forest/Range Fire Rehabilitation Services (non-construction)
Forest Tree Planting Services
Land Treatment Practices Services (plowing/clearing, etc.)
Range Seeding Services (ground equipment)
Recreation Site Maintenance Services (non-construction)
Seed Collection/Production Services
Seedling Production/Transplanting Services
Surface Mining Reclamation Services (non-construction)
Survey Line Clearing Services
Tree Breeding Services
Tree Thinning Services
Well Drilling/Exploratory Services
Wildhorse/Burro Control Service
Other Range/Forest Improvements Services (non-construction)
Other Wildlife Management Services
Fisheries Resources Management Services
Site Preparation
Other Natural Resources and Conservation Services
Air Quality Support Services
Industrial Investigation Surveys and Technical Support Related to Air Pollution
Water Quality Support Services
Industrial Investigation Surveys and Technical Support Related to Water Pollution
Pesticides Support Services
Toxic Substances Support Services

Hazardous Substance Analysis
Hazardous Substance Removal, Cleanup, and Disposal Services and Operational Support
Leaking Underground Storage Tank Support Services
Development of Environmental Impact Statements and Assessments
Industrial Investigations, Surveys and Technical Support for Multiple Pollutants
Oil Spill Response including Cleanup, Removal, Disposal and Operational Support

G. Social Services

Examples:
Care of Remains and/or Funeral Services
Chaplain Services
Recreational Services
Social Rehabilitation Services
Geriatric Services
Government Life Insurance Program
Government Health Insurance Programs
Other Government Insurance Programs
Non-Government Insurance Programs
Direct aid to tribal Governments and organizations provided by contract pursuant to Public Law (P.L.) 93-638

H. Quality Control, Testing and Inspection Services

Examples:
Quality Control Services
Equipment and Materials Testing Inspection Services

J. Maintenance, Repair, and Rebuilding of Equipment

K. Modification of Equipment

L. Technical Representative Services

M. Operation of Government-Owned Facilities

N. Installation of Equipment
P. Salvage Services

Examples:
Preparation and Disposal of Excess and Surplus Property
Salvage of Aircraft
Salvage of Marine Vessels
Demolition of Buildings
Demolition of Structures or Facilities (other than Buildings)

Q. Medical Services

Examples:
Dependent Medicare Services
General Health Care Services
Laboratory Testing Services
Nursing Home Care Contracts
Evaluation and Screening
Anesthesiology Services
Cardio-Vascular Services
Dentistry Services
Dermatology Services
Gastroentorology Services
Geriatric Services
Gynecology Services
Hematology Services
Internal Medicine Services
Neurology Services
Ophthalmology Services
Optometry Services
Orthopedic Services
Otolaryngology Services
Pathology Services
Pediatric Services
Pharmacology Services
Physical Medicine and Rehabilitation Services
Psychiatry Services
Podiatry Services
Pulmonary Services
Radiology Services
Surgery Services

Thoracic Services
Urology Services
Medical/Psychiatric Consultation Services
Nuclear Medicine

R. Professional, Administrative and Management Support Services

Examples:
Land Surveys, Cadastral Services (non-construction)
Operations Research Services
Policy Review/Development Services
Program Evaluation Services
Program Management/Support Services
Program Review/Development Services
Real Property Appraisals Services (SIC 6531)
Simulation
Specifications Development Services
Systems Engineering Services
Technology Sharing/Utilization Services
Veterinary/Animal Care Services
Legal Services
Educational Services
Certifications and Accreditations
Technical Assistance
Telephone and Field Interview Services
Intelligence Services
Expert Witness
Engineering and Technical Services
Communications Services
Weather Reporting/Observation Services
Industrial Hygienics
Personal Services
Other Professional Services
Courier and Messenger Services
Transcription Services
Mailing and Distribution Services
Library Services
Court Reporting Services
Word Processing/Typing Service

Translation and Interpreting Service (Including Sign Language)
Stenographic Services
Personal Property Management Services
Credit Reporting Services
Information Retrieval
Other Administrative Support Services
Advertising Services
Data Collection Services
Accounting or Financial Services
Auditing Services
Debt Collection Services
Logistics Support Services
Contract, Procurement, and Acquisition Support Services
Public Relations Service
Ongoing Audit Operations Support

S. Utilities and Housekeeping Services

Examples:
Gas Services
Electric Services
Telephone and/or Communications Services
Water Services
Other Utilities
Custodial - Janitorial Services
Fire Protection Services
Food Services
Fueling and Other Petroleum Services - Excluding Storage
Trash/Garbage Collection Services
Guard Services
Insect and Rodent Control Services
Landscaping/Groundskeeping Services
Laundry and Dry Cleaning Services
Surveillance Services
Solid Fuel Handling Services
Carpet Laying and Cleaning
Warehousing and Storage Services
Facilities Operations Support Services
Interior Plantscaping

Snow Removal/Salt Service (also spreading aggregate or other snow melting material)
Waste Treatment and Storage

T. Photographic, Mapping, Printing, and Publication Services

Examples:
Arts/Graphics Services
Cartography Services
Cataloging Services
Charting Services
Film Processing Services
Film/Video Tape Production Services
Microform Services
Photogrammetry Services
Aerial Photographic Services
General Photographic Services - Still
Print/Binding Services
Reproduction Services
Technical Writing Services
Topography Services
General Photographic Services - Motion
Audio/Visual Services

U. Education and Training Services

Examples:
Lectures for Training
Personnel Testing
Reserve Training (Military)
Scientific and Management Education
Tuition, Registration, and Membership Fees
Vocational/Technical
Faculty Salaries for Dependent Schools
Training/Curriculum Development
Education Services
Certifications and Accreditations
AIDS Training

V. Transportation, Travel and Relocation Services

Examples:
Motor Pool Operations
Packing/Crating Services
Air Freight
Motor Freight
Rail Freight
Stevedoring
Vessel Freight
Other Cargo and Freight Services
Air Charter for Things
Motor Charter for Things
Rail Charter for Things
Marine Charter for Things
Vessel Towing Service
Other Vehicle Charter for Transportation of Things
Air Passenger Service
Motor Passenger Service
Rail Passenger Service
Marine Passenger Service
Passenger Air Charter Service
Passenger Motor Charter Service
Passenger Rail Charter Service
Passenger Marine Charter Service
Ambulance Service
Taxicab Services
Lodging - Hotel/Motel
Military Personnel Recruitment
Civilian Personnel Recruitment
Relocation Services
Travel Agent Services
Other Transportation Travel and Relocation Services

W. Lease or Rental of Equipment

X. Lease or Rental of Facilities

Y. Construction of Structures and Facilities

Z. Maintenance, Repair or Alteration of Real Property

Supplies, Equipment, and Material Codes

CODE TITLE

10. Weapons
11. Nuclear Ordnance
12. Fire Control Equipment
13. Ammunition and Explosives
14. Guided Missiles
15. Aircraft and Airframe Structural Components
16. Aircraft Components and Accessories
17. Aircraft Launching, Landing, and Ground Handling Equipment
18. Space Vehicles
19. Ships, Small Craft, Pontoons, and Floating Docks
20. Ship and Marine Equipment
22. Railway Equipment
23. Ground Effect Vehicles, Motor Vehicles, Trailers and Cycles
24. Tractors
25. Vehicular Equipment Components
26. Tires and Tubes
28. Engines, Turbines, and Components
29. Engine Accessories
30. Mechanical Power Transmission Equipment
31. Bearings
32. Woodworking Machinery and Equipment
34. Metalworking Machinery
35. Service and Trade Equipment
36. Special Industry Machinery
37. Agricultural Machinery and Equipment
38. Construction, Mining, Excavating, and Highway Maintenance Equipment
39. Materials Handling Equipment
40. Rope, Cable, Chain, and Fittings
41. Refrigeration, Air Conditioning and Air Circulating Equipment
42. Fire Fighting, Rescue, and Safety Equipment
43. Pumps and Compressors

44. Furnace, Steam Plant, and Drying Equipment, and Nuclear Reactors
45. Plumbing, Heating and Sanitation Equipment
46. Water Purification and Sewage Treatment Equipment
47. Pipe, Tubing, Hose, and Fittings
48. Valves
49. Maintenance and Repair Shop Equipment
51. Hand Tools
52. Measuring Tools
53. Hardware and Abrasives
54. Prefabricated Structures and Scaffolding
55. Lumber, Millwork, Plywood, and Veneer
56. Construction and Building Materials
58. Communication, Detection, and Coherent Radiation Equipment
59. Electrical and Electronic Equipment Components
60. Fiber Optics Materials and Components, Assemblies, and Accessories
61. Electric Wire, and Power and Distribution Equipment
62. Lighting Fixtures and Lamps
63. Alarm and Signal, and Security Detection Systems
65. Medical, Dental, and Veterinary Equipment and Supplies
66. Instruments and Laboratory Equipment
67. Photographic Equipment
68. Chemicals and Chemical Products
69. Training Aids and Devices
70. General Purpose Information Technology Equipment
71. Furniture
72. Household and Commercial Furnishings and Appliances
73. Food Preparation and Serving Equipment
74. Office Machines, Text Processing Systems and Visible Record Equipment
75. Office Supplies and Devices
76. Books, Maps, and Other Publications
77. Musical Instruments, Phonographs, and Home-Type Radios
78. Recreational and Athletic Equipment
79. Cleaning Equipment and Supplies
80. Brushes, Paints, Sealers, and Adhesives
81. Containers, Packaging, and Packing Supplies
83. Textiles, Leather, Furs, Apparel and Shoe Findings, Tents and Flags
84. Clothing, Individual Equipment, and Insignia
85. Toiletries
87. Agricultural Supplies

88. Live Animals
89. Subsistence (Food)
91. Fuels, Lubricants, Oils, and Waxes
93. Nonmetallic Fabricated Materials
94. Nonmetallic Crude Materials
95. Metal Bars, Sheets, and Shapes
96. Ores, Minerals, and Their Primary Products
99. Miscellaneous

9.5 MISCELLANEOUS TOPICS

9.5.1 MOTION PICTURE FILM PROCESSING

Normally the Procurement Department will establish a blanket agreement for motion picture film processing. Releases against the blanket agreement are requisitioned by the Technical Services Division-Visual Arts Group.

The Procurement Department is responsible for all business matters including price, price estimates, and determination of price reasonableness.

9.5.2 ETHYL ALCOHOL

Requisitions for alcoholic beverages are unallowable.

Requisitions for tax-free ethyl alcohol must be accompanied by appropriate federal and state permits. Federal permits are obtained on an annual basis, while state permits are based on total estimated quantity. Orders may be established only with *licensed Illinois importing distributors*. Ethyl alcohol is normally procured and issued as a STORES item.

9.5.3 SERVICE CALLS/REPAIRS

- Before a requisition for repair or service is processed, a check should first be made to establish that the warranty or guarantee period is no longer in effect. If equipment is still under warranty or guarantee, arrangements should be made for repairs at no cost to the Laboratory.

  Normally, the Procurement Department will set up annual orders for the maintenance and repair of most office machines and some Laboratory balances. These orders are administered by the Procurement, Property and Inventory Management Section (OCF-PPIM).

  Other maintenance/repair orders may be established by the specific Procurement Department for other departments to cover equipment such as electron beam X-ray equipment or strip chart recorders. These agreements will normally be administered by the requisitioning department or division.

- Maintenance or repairs to electronic equipment and or devices that emit radio frequency signals must be coordinated with Computing and Information Systems (CIS).

- When equipment must be shipped off site for repair, proper shipping authorization and documentation must be issued by the requisitioner. Repairs may be initiated by the supplier following acceptance of a quotation for a firm fixed price by the buyer/contract specialist and assignment of a purchase order number. In those cases where the supplier is unable to quote a firm fixed price, the buyer/contract specialist is responsible for obtaining an estimated total cost along with the basis for the final charges (i.e., hourly labor costs, material, parts prices, etc.) and include a not-to-exceed price in the contract prior to authorizing repair work. Record of estimates must be maintained as a basis for approval and certification of invoices.

- The Procurement Department is responsible for all business matters including, price, price estimates, determination of price reasonableness, issuance of standing orders or purchase orders and incorporation of form series ANL-366*, Work by Contractors on the Argonne Site – Supplemental Conditions*, and other clauses as appropriate.

- Requisitioners are responsible for site access and accomplishment of recurring ESH reviews for maintenance/repair workers, as coordinated through the Argonne Information Center, and are also responsible for keeping records of maintenance/repair work performed on equipment.

9.5.4 RADIOACTIVITY

9.5.4.1 Work on Overseas Reactors

Any work involving overseas nuclear reactors will require the approval of Office of General Counsel to determine risk and applicable indemnification requirements prior to contract award. Furthermore, any indemnification under Public Law 85-804 to any contractor or subcontractor will require DOE approval.

9.5.4.2 Nuclear Facility Procurements

Any acquisition, regardless of dollar value, that is designated as a "nuclear facility" requirement (10 CFR 830) will be in writing and contain all quality control and safety requirements identified with the requestor's package (see Chapter 2, **Exhibit 2.1-A**, paragraph 3.)

9.5.4.3 Shipping Containers Radioactive Material

Before any requisition for a shipping container for radioactive material is processed, approval by EQO-Safety Program Services (SPS) is required.

To ensure safe handling of radioactive materials, and compliance with the Department of Transportation regulations, EQO-SPS is responsible for providing advice and assistance to requisitioners on the use of an existing container and/or approval of the design of a new container.

9.5.4.4 Personal Radiation Protection Equipment

Before a requisition for personal radiation protection equipment or supplies is processed, approval by health physics (EQO), is required.

To ensure the safety of personnel working in radioactive areas, equipment and supplies (personal dosimeters, portable survey meters, radioactive gas samplers, radioactive air particulate samplers, special breathing apparatus, plastic suits, coveralls, gloves, shoe covers, respiratory protection, etc.) to be used or worn in radioactive areas must be selected by the requesting division after consultation with a health physicist.

9.5.4.5 Repair of Contaminated Equipment

For the modification or repair of any item of equipment that may have become radioactively contaminated (surface or volume), the requisitioner must coordinate survey and/or decontamination B. Any *survey results* and/or *decontamination efforts* related to the item of equipment must be made known to the Procurement Department by the requisitioner.

9.5.4.6 Radioactive Sources and Materials

Radioactive sources and materials identified as such on the purchase requisition require notification of EQO at Argonne when an award is made to a vendor.

The buyer/contract specialist will: Provide instructions to vendors to label the outside of the package, "CONTACT HEALTH PHYSICS UPON ARRIVAL."

9.5.4.7 Radiation-Generating Devices

Radiation-generating devices that produce ionizing radiation identified as such on the purchase requisition require notification of EQO at Argonne at the time of award.

9.5.4.8 Off-Site Disposal of Radioactive Low-Level or Mixed Low-Level Waste at Commercial Facilities

All requisitions for disposal of radioactive, low-level, or mixed level waste shall be reviewed and approved by Nuclear Operations Division-Waste Management (NOD-WM) for compliance with the ESH Manual prior to award of purchase order or subcontract for the work.

9.5.4.9 Transportation of Radioactive Material

Requisitions for transportation of radioactive material shall be reviewed and approved by Procurement, Property and Inventory Management (OCF-PPIM) prior to award of purchase order or subcontract for the work.

9.5.5 SPECIAL MATERIALS: PRECIOUS METALS, NUCLEAR MATERIAL, RADIOACTIVE MATERIAL

Special materials include:

- Nuclear material and radioactive materials as designated on **Exhibit 9.5-A Caution List**;
- Precious metals and rare materials are those materials that are found in commercial markets but that have a very high monetary value in relation to volume and weight (see **Exhibit 9.5-A**); and
- Reactor materials are those that are used principally in atomic research programs and reactor construction (see **Exhibit 9.5-A**).

The Procurement Department is responsible for procurement of special materials and radioactive materials from commercial sources. The DOE stockpile at Oak Ridge National Laboratory (ORNL) shall be the preferred source for precious and rare metals. All purchases for radiological materials will be in writing.

The buyer/contract specialist will:

- Ensure that all *Purchase Requisitions* (ANL-451) for materials designated by requestor as nuclear materials are approved by Security and Counterintelligence Division-Material Control Accountability (SCD-MCA).

- Conform to standard guidelines, i.e., competition will be obtained where practical or sole source procurements justified, as necessary; and

- On purchase requisitions indicating nuclear materials, direct that one of the following clauses, as appropriate, be a part of the order for by-product, source, or special nuclear materials:

  – "Argonne National Laboratory is exempt from licensing requirements for by-product material under 10 CFR, Part 30, Section 30.6*, Licensing of By-Product Material;*"

  – "Argonne National Laboratory is exempt from licensing requirements for source material under 10 CFR, Part 40, Section 40.11*, Control of Source Material;*" or

  – "Argonne National Laboratory is exempt from licensing requirements for special nuclear material under 10 CFR, Part 70, Section 70.11, *Special Nuclear Material.*"

- The buyer/contract specialist will also ensure that, due to the class of material being ordered, the internal copies of *PARIS Purchase Order*, form ANL-71 will contain the following instruction and reference for nuclear materials:

  – NUCLEAR: "DELIVER UNOPENED TO SPECIAL MATERIALS GROUP, BLDG. 46"

  – RADIOACTIVE MATERIAL: "CONTACT HEALTH PHYSICIST UPON ARRIVAL."

  – PRECIOUS METALS: "DELIVER UNOPENED TO PROCUREMENT, PROPERTY AND INVENTORY MANAGEMENT (OCF-PPIM)."

  – REACTOR MATERIALS: "DELIVER UNOPENED TO ESH/QA OVERSIGHT SAFETY PROGRAM SERVICES."

- The purchase order must clearly indicate deliveries will be received during normal receiving hours. On requestor designated nuclear materials, each purchase order shall state that the supplier must provide a Material Safety Data Sheet (MSDS) with the first shipment to the Laboratory and thereafter with each revision.

- In preparing either contracts, purchase orders, or other agreements in which monetary payments or credits depend on the quantity and quality of the nuclear material, the buyer/contract specialist shall ensure that each award contains a:
  - Description of the material being transferred;
  - Method by which the quantities are to be measured and reported;
  - Procedure to be used in resolving any differences arising as a result of such measurements;
  - Provision for the use of an independent third party as an umpire to settle unresolved differences in the analytical samples; and
  - Provision specifying in detail which party shall bear the costs of resolving a difference and what constitutes such costs.
- The buyer/contract specialist shall ensure that the provisions providing for resolution of measurement differences must be such that resolution is always accomplished while minimizing any advantage one party may have over the other.

9.5.6 CLASSIFIED INFORMATION

Before procurement personnel handle any requirement involving classified work and/or classified documents ("Secret or Confidential" or otherwise *classified*) coordination with the SCD.

In general, *classified materials and or information* must be sent, received, discussed (including telephone conferences), and filed in a *security area*. The Procurement Department *is not* a security area, and for this reason, classified materials may not be handled without prior arrangement with the SCD.

9.5.7 LOCKS AND KEYS

Before a requisition for locks, keys, lock maintenance supplies, key control equipment, or electronic access equipment is processed, a record of approval from Security-Lock Shop is required.

Specifications to match existing keying and lock systems may be obtained from the Security-Lock Shop. Specifications identified by the Security-Lock Shop must be taken into consideration when selecting capable and reliable sources.

Requisitions for duplicate keys to be made outside the Laboratory are prohibited without express approval of the Security-Lock Shop.

Combination locks, and all keys for new furniture, equipment, buildings, or other construction are to be recorded and issued through the Security-Lock Shop.

9.5.8 DEVICES THAT EMIT RADIO FREQUENCY SIGNALS

Before any requisition to acquire or modify a device capable of emitting radio frequency signals is processed, approval from CIS is required.

To ensure compliance with Federal Communications Commission regulations and DOE regulations, CIS will allocate frequency, inspect devices to ascertain the accuracy and drift control of the frequency generation circuits and arrange periodic inspections to assure maintenance of equipment within frequency allocation.

9.5.9 ADVANCE PROCUREMENT PLANNING

Requirements in excess of $750,000, or those identified by the Procurement manager will require a Solicitation Milestone Plan (see Chapter 3) prepared to ensure that all parties understand acquisition cycle times. At the discretion of procurement management, a more detailed *Advance Procurement Plan Guideline Milestones*, **Exhibit 9.5-B**, plan may be prepared to support complex requirements.

Appropriate milestone plans are prepared, coordinated with division personnel, and approved by the Procurement manager on applicable solicitations.

Procurement customers are responsible to forecast their requirements, advising procurement management of any unanticipated requirements as soon as possible, and ensuring technical actions are taken in support of the established milestones in a timely manner.

9.5.10 TRADE-INS

Purchase requisitions that request that like, government-owned equipment be offered as a trade-in against equipment, require the following considerations:

- All solicitations should clearly identify the trade-in equipment, and all prospective suppliers should be notified of the existence of like, government-owned equipment that may be offered as trade-in. Prospective suppliers should be advised to submit offers with and without consideration of the trade-in so that an analysis of the suppliers valuation on the trade-in can be made, and the solicitation shall contain the basis upon which the low bidder will be determined; and

- OCF-PPIM should be contacted to determine the residual value of the trade-in item. If the residual value is greater than $100.00, the OCF-PPIM Office must be consulted to determine if further solicitation is necessary to obtain the greatest value for the trade-in item, or if procurement should proceed with the trade-in, as-is.

NOTE: There are some Federal Property Management Regulations that contain certain limitations and classes of property that cannot be traded in. It is the responsibility of the PPIM Office to review these regulations prior to final purchase involving a sizable trade-in.

- High Risk Property;

- Trade-in, sales or transfer of high-risk property requires review and approval of the Property Management Office.

9.5.11 RENTAL OF MOTOR VEHICLES

If nongovernment motor vehicles are rented for possible use by contractors, Procurement shall obtain collision insurance and permission for use by any individual authorized by Argonne to drive vehicle by inclusion of a clause substantially the same as:

> "Insurance included in this agreement extends to all drivers authorized by Argonne to utilize the vehicle."

9.5.12 AVIATION SERVICES

All requisitions for aviation services require approval by the Laboratory Aviation Safety Officer **before** acceptance by Procurement. This does not apply to requisitions that require contractor or laboratory personnel to travel on commercial airline flights. When a properly routed requisition for aviation services is received, it shall state requirements for documentation/certification that must be obtained from prospective vendors during the solicitation process, as indicated by annotation by the Laboratory Aviation Safety Officer. As a

condition for award of any resultant contract, vendors must provide this documentation/certification. Prior to award, this information shall be forwarded to the Laboratory Aviation Safety Officer for review. No award for aviation services will be made without review by the Aviation Safety Officer.

9.5.13 BERYLLIUM MACHINING OR PROCESSING

Purchase requisitions that require the machining or processing of beryllium, must include the appropriate MSDS, and DOE beryllium data sheet; and these documents along with the appropriate Representations and Certifications must be provided to any prospective contractor; and their certification (on the reps and certs) that they been informed of beryllium hazards and are prepared to take necessary precautions in handling must be obtained prior to the award of contract for Beryllium Machining or Processing. Reference: 10 CFR Part 850, Chronic Beryllium Disease Prevention Program; Final Rule, URL http://www.eh.doe.gov/be/docs/berule.pdf.

9.5.14 CARE OF LABORATORY ANIMALS

a. Before undertaking performance of any contract involving the use of laboratory animals, the Contractor shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended. The Contractor shall furnish evidence of such registration to the Contracting Officer.

b. The Contractor shall acquire animals used in research and development programs from a dealer licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in paragraph (a) above.

c. In the care of any animals used or intended for use in the performance of this contract, the Contractor shall comply with USDA regulations governing animal care and usage, as well as all other relevant local, State, and Federal regulations concerning animal care and usage. In addition, the Contractor will ensure that research will be conducted in a facility that either: (i) has a current National Institutes of Health (NIH) assurance number for animal care and usage, or (ii) is currently accredited for animal care and usage by an appropriate organization such as the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) International, or (iii) has a DOE Assurance Plan Number.

9.5.15 UNAUTHORIZED COMMITMENTS (RETROACTIVE PROCUREMENTS)

Whenever an unauthorized commitment occurs (whenever obligations to vendors/suppliers are made by individuals not having written, delegated authority to make external commitments on behalf of the Laboratory), the following actions must be taken (unless waived by the Procurement Manager):

1. If the unauthorized commitment occurs without timely receipt of the necessary requisition and commitment of adequate funding to effect the acquisition by Procurement, the technical representative shall prepare a Request for Ratification Memorandum addressed to the Procurement Manager. This memorandum shall detail the conditions precipitating the unauthorized commitment and the actions taken to preclude recurrence. This memorandum shall be signed by the Associate Laboratory Director for that division and must be approved by the Procurement Manager before ratification can occur; or

2. If the unauthorized commitment occurs because of untimely delays by the Procurement Department when the requirement and funding documentation were received in a timely manner from the Technical Division, the Buyer or Contract Specialist shall prepare a request for ratification of an unauthorized commitment in the same manner as the Technical Division set forth in Paragraph 1, above. This memorandum shall explain the delay in award and the steps taken to preclude recurrence. This memo shall be signed by the immediate supervisor and appropriate manager, and approved by the Procurement Manager.

EXHIBIT 9.5-A CAUTION LIST

Precious Metals	**Nuclear and Radioactive Materials**
Diamonds	Americium 241 (Am)
Gallium	Americium 243 (Am)
Gold	Berkelium (Bk)
Iridium	Californium 252 (Cf)
Osmium	Curium Cm
Palladium	
Platinum	
Radium (Ra)	Deuterium (D_2)
Rhodium	Heavy Water (D_2O)
Silver	Lithium 6 (Li)
	Neptunium 237 (Np)
	Plutonium (All Isotopes) Pu
	Thorium (Th)
	Tritium (H_3)
	Normal Uranium (NU)
	Depleted Uranium (DU)
	Enriched Uranium (EU)
	Uranium-233

Precious Metals
Requisition must be signed by OCF/PIM.

Nuclear and Radioactive Material
Requisition must be approved by the SCD-MCA group, a copy of the requisition goes to Sam Baker, EQO-201

Ionizing Radiation Producing Device
Requisition noted: "*Ionizing Radiation Producing Source,"* copy to Sam Baker, EQO-201

Material Safety Data Sheets (MSDS)
Send to John Davis, EQO-200

NOTE – SUBJECT TO UPDATE

EXHIBIT 9.5-B

ANL-412 (December 6, 2004)

ADVANCE PROCUREMENT PLAN GUIDELINE MILESTONES

MILESTONES	DATES INCLUSIVE	REMARKS
1. APPROVAL OF ADVANCE PROCUREMENT PLAN		
2. PREPARATION OF PROCUREMENT PACKAGE		
Contract Request		
Statement of Work		
Specifications		
Data Requirements		
Other:		
Sole Source Justification		
Evaluation Criteria		
3. PREPARATION FOR RFP/RFQ		
Contract Specification		
• Terms and Conditions		
• Special Clauses		
Bid List		
4. ISSUANCE OF SOLICITATION		
5. OPENING/CLOSING DATE OF SOLICITATION		
6. DUE DATE OF AUDIT/FIELD PRICE ANALYSIS		
7. EVALUATION OF PROPOSALS, AUDITS AND FIELD REPORTS		
8. PRENEGOTIATION BRIEFING		
9. BEGINNING & COMPLETION OF NEGOTIATIONS		
10. CONTRACT PREPARATION		
Review		
Clearance/Approval - Legal		
Clearance/Approval - DOE-ASO		
11. PRE-AWARD SURVEY		
12. CONTRACT AWARD		
13. EXECUTION BY CONTRACTOR		
14. CONTRACT DISTRIBUTION		

9.6 SELF-ASSESSMENT AND REPORTING

9.6.1 MANAGEMENT REPORTING PROGRAM

a. Argonne procurement report management covers a wide range of procurement activities from a statistical view point. The reports are focused on measuring procurement performance in terms of proficiency (quality, cost avoidance, operation statistics, price competition); efficiency (operating cost, operation statistics, processing time); identify status/problems; and highlight trends. The major reporting categories are:

(1) U.S. Department of Energy Reports:

(a) The requirement for the submittal of paper versions of the Standard Form (SF) 294. Subcontracting Reports for Individual Contracts, and SF 295, Summary Subcontract Reports, as provided in FAR 52.219-9(j) will be provided in accordance with the electronic submittal of data under the Electronic Subcontract Reporting System (eSRS). http:/www.esrs.gov/;

(b) Annual Prime Contract performance indicators; and

(c) Quarterly Balanced Scorecard results.

(2) Argonne Internal quarterly and year-to-date information graphs which normally contain:

(a) Level 1 reports that show Argonne Procurement information for all of Argonne. The information normally contained (but not limited to) in these reports are dollars spent, lead times, actions, and socio-economic indicators.

(b) Level 2 reports depict the same information included in Level 1 but in greater detail for management action and analysis; and

(c) Level 3 reports normally contain the information for Levels 1 and 2, but in greater detail for management action and analysis and are the responsibility of section managers.

b. The Procurement Services Section is responsible for consolidating and summarizing all procurement statistical data, preparing required reports for Level 1 and 2 statistics and briefing charts, and acting as a focal point for all requests for ad hoc information on award activity.

c. The form, format, frequency and content of these reports may vary from section to section to cover the specific focus areas each manager needs to monitor and evaluate.

d. Procurement personnel are responsible for accurately reporting all awards into appropriate Procurement databases.

e. Procurement managers ensure reports are normally submitted within five (5) workdays at the end of each month or quarter to the Procurement Services Section. Reports for the fourth quarter of each fiscal year and the month of September are due by October 25th, or the first workday after, due to year-end closeout activity.

9.6.2 PROCUREMENT BALANCED SCORECARD (PBSC) PROGRAM

a. Argonne Balanced Scorecard activity is mandated by DOE directives and establishes a framework to analyze Procurement operations and align them with the strategic objectives of the Laboratory and the Department of Energy. An annual Balanced Scorecard Program is developed and routed to DOE for review and concurrence each fiscal year.

b. Results of the PBSC are normally graphed and reported on a quarterly basis, and are provided to DOE and Argonne management. All graphs and PBSC information are year-to-date, or since the last date of the survey statistics.

10.1 INTRODUCTION

10.1.1 PURPOSE

This guideline is established for the development and maintenance of standard Argonne National Laboratory terms and conditions. Deviations to Argonne approved appendices and clauses require the approval of the Argonne Legal Department *prior* to award.

10.1.2 SCOPE

Care must be exercised in selection of terms and conditions for incorporation into procurement instruments because the resulting order or contract is the basic legal document which defines the rights and obligations of Argonne and the seller. To assist the Procurement Department in selecting terms and conditions for incorporation into purchase agreements, the Argonne Legal Department has prepared pre-printed sets of terms and conditions applicable to the various types of standard subcontracts used by the Procurement Department. These sets of terms and conditions have been appropriately approved by the Department of Energy (DOE) for Laboratory use. No changes, deletions, exceptions or additions to these approved terms and conditions shall be included in any purchase order or subcontract unless approval has been secured from the office of the Legal Department.

10.1.3 MODIFICATIONS TO TERMS OF CONDITIONS

From time to time, it may become necessary to change the standard terms and conditions incorporated into procurement instruments (see 10.2). When such a modification has been made, unless specific guidance is issued to the contrary, the revised terms and conditions will become applicable to all solicitations issued after the last work day of the month subsequent to the month of the change. For any open solicitations, unless specific guidance is issued to the contrary, any contractual action should be awarded under the terms and conditions of the solicitation/amendment(s). For any open contracts, unless specific guidance is issued to the contrary, the terms and conditions of the original contract shall apply to any subsequent modifications and/or extensions to the contract.

10.2 CLAUSE MAINTENANCE

Any required changes to, modifications of, and/or required additions necessary to keep the Argonne Standard Terms and Conditions current will be implemented within a reasonable amount of time, subject to an analysis of the criticality of the change.

10.2 APPENDICES

Terms and conditions listed at **Exhibit 10.2-A** are incorporated into appropriate Laboratory awards.

EXHIBIT 10.2-A

Title	Form Number
Appendices	
Appendix _, Specific Assignment	PD-117
Appendix A, Terms and Conditions with Educational Institutions	PD-104
Appendix A, Terms and Conditions For Cost-Reimbursement Contracts	ANL-524
Appendix A, Terms and Conditions For FP Architect-Engineer Contracts	ANL-525
Appendix A, Terms and Conditions For FP Construction Contracts	ANL-526
Appendix A, Terms and Conditions For FP Contracts	ANL-527
Appendix A, Terms and Conditions For Labor Hour Time & Materials Contracts	ANL-528
Appendix B, Affirmative Action Requirements	PD-115
Instructions for Construction Contractor Environment, Safety and Health Requirements	PD-105
Argonne Terms and Conditions (For Non-Commercial Awards $10,000 & Over)	ANL-71T
Argonne Terms and Conditions (For Non-Commercial Awards Under $10,000)	ANL-460
Argonne Terms and Conditions For Commercial Items	ANL-71-COM
Appendix C, Travel Policy For Contractor Personnel	ANL-529
Appendix K, Sensitive Foreign National Controls	ANL-563
Appendix D-1, Intellectual Property Provisions, Experimental, Developmental, Demonstration or Research Contract; General Contractor	ANL-530IP
Appendix D-2, Intellectual Property Provisions, Experimental, Developmental, Demonstration or Research Contract; Small Business or Non-Profit	ANL-531IP
Appendix D-3, Intellectual Property Provisions, Experimental, Developmental, Demonstration or Research Contract; Educational (Software) (<$500K)	ANL-532IP
Appendix D-4, Intellectual Property Provisions, Experimental, Developmental, Demonstration or Research Contract; Educational (<$500K)	ANL-533IP
Appendix D-5, Intellectual Property Provisions, Experimental, Developmental, Demonstration or Research Contract; Educational (Software) (>$500K)	ANL-534IP
Appendix D-6, Intellectual Property Provisions, Experimental, Developmental, Demonstration or Research Contract; Educational (>$500K)	ANL-535IP

Appendix D-7, Intellectual Property Provisions, Supplies/Services Not Requiring Delivery of Data	ANL-536IP
Appendix D-8, Intellectual Property Provisions, Supplies/Services Requiring Delivery of Data	ANL-537IP
Appendix D-8-C, Intellectual Property Provisions, Commercial Supplies/Services Requiring Delivery of Data	ANL-562IP
Appendix D-9, Intellectual Property Provisions, Special Works	ANL-538IP
Appendix D-10, Intellectual Property Provisions, Consultant Contract, General Contractor	ANL-539IP
Appendix D-11, Intellectual Property Provisions, Consultant Contract, Small Business, Educational, Non-Profit	ANL-540IP
Appendix D-12, Intellectual Property Provisions, Job Shop, Employee-Like Waiver	PD-118

10.3 CLAUSES

1. Standard contract clauses and additional prescribed clauses that may be applicable to Laboratory procurements are listed at Exhibit 10.3-A.

2. The following additional clauses, the use of which is prescribed in Chapters 4 through 9 of these Procurement Guidelines, are available in full test in PARIS and on-line on the Procurement WWW page at URL: http://www.anl.gov/PRO/General%20Information/forms.htm.

TITLE

Invitation For Bids, Construction Requirements
ANL-55l, Service Contract Act of 1965 (Over $2,500)
ANL-552, Service Contract Act of 1965 For Actions Under $2,500
Cost Accounting Standards (CAS)
Cost Accounting Standards
Disclosure and Consistency of Cost Accounting Practices
Administration of Cost Accounting Standards
Cost Accounting Standards—Education Institutions
Disclosure and Consistency of Cost Accounting Practices—Educational Institutions
Foreign
Taxes – Foreign Fixed-Price Contracts
Taxes - Fixed Price Contracts with Foreign Governments
Taxes – Foreign Cost Reimbursement Contracts
Taxes – Cost Reimbursement Contracts with Foreign Governments
Inconsistency between English and Translation of Contract Provisions
Alternate Inspection & Warranty Clauses
Warranty of Services
Inspection of Services – Fixed Price
Inspection of Research and Development – Fixed Price
Inspection of Research and Development (Short Form)
Inspection of Research and Development – Cost Reimbursement
Inspection of Services – Cost Reimbursement
Inspection – Time and Materials – Labor Hour
Warranty of Supplies of a Complex Nature

3. The following additional clauses and provisions, the use of which is prescribed herein, are available in PARIS and on-line at: http://www.anl.gov/PRO/General%20Information/forms.htm.

   a. **Acquisition of Real Property**. This clause shall be added to all contracts and orders through which the Laboratory proposes to acquire the use of real property by purchase, lease, easement, license or permit.

b. **Printing**. This clause shall be included in all contracts and orders that require printing. **Note:** Paragraph 1(a) of the clauses provides that performance of a requirement under the contract involving the duplication of less than 5,000 copies of a single page, or no more than 25,000 units in the aggregate of multiple pages, will not be deemed to be printing.

c. **Sensitive Foreign Nations**. This clause shall be included only in contracts and orders that may involve making unclassified information about nuclear technology available to certain sensitive foreign nations.

d. **Option Clause – Lease With Option To Purchase Equipment**. This clause shall be inserted in any contract or order which includes an option to purchase leased equipment.

e. **Solicitation Provisions**.

- Evaluation Exclusive of Option. Insert in solicitations when options will not be evaluated at time of award of the basic contract.

- Evaluation of Options Exercised at Time of Contract Award. Insert in solicitations when it is anticipated that one or more options will be exercised with the basic contract award.

- Evaluation of Options. Insert in solicitations containing options and the options will be evaluated with the base award price to determine the over-all low offeror/bidder.

- Unbalanced Offers. Use in solicitations.

f. **Contract Option Clauses.**

- Option For Increased Quantities. Insert in contracts/orders when the Laboratory has the unilateral right to increase quantities. **Note:** Insert the period of time in which the Laboratory may exercise the option.

- Option To Extend Services. Insert in contracts/orders when the Laboratory has the unilateral right to extend the period of performance of the services. **Note:** Total extension of performance may not exceed six (6) months. Insert the period of time in which the Laboratory may exercise its option to extend the period of performance.

- Option to Extend the Term of the Contract. Insert in contracts/orders when the Laboratory has the right to extend the term of the contract. The limitation of the total contract term must be provided.

g. **Workplace Substance Abuse Programs at DOE Sites**. Include this clause in any contract or order which requires a supplier to develop, implement, and maintain a workplace substance abuse program.

h. **Privacy Act**. Include this clause in solicitations and contracts when the work requires the design, development, or operation of a system of records on individuals to accomplish DOE functions.

i. **Privacy Act Notification**. Include this clause in solicitations and contracts when the work requires the design, development, or operation of a system of records on individuals to accomplish DOE functions.

j. **Facility Clearance (PD-111)**. Insert this clause into solicitations and awards that involve access to classified information or special nuclear material as prescribed in Section 8.11, Facility Clearance.

k. **Payment by Electronic Funds Transfer**. This clause is only available on at http://www.anl.gov/PRO/General%20Information/forms.htm. As prescribed in Section 9.3.1, this clause should only be used when this form of payment has been negotiated and has been deemed to be in the best interests of the Laboratory.

l. **Accounts, Records and Inspection**. Include this clause in all contracts/orders, including fixed price and fixed-unit-price contracts, when amounts paid to the contractor shall be based upon actual incurrence of costs.

m. **Required Sources for Helium and Helium Usage Data**. Insert this clause in contracts/orders involving major helium requirements as defined in Section 8.17.

n. **Value Engineering**. Insert this clause in all construction solicitations valued at $1 **million** or greater.

o. **Contractor Code of Business Ethics and Conduct.** Insert this clause in all contracts that have a value in excess of $5 million and a performance period of more than 120 days.

p. **Display of Hotline Poster(s).** Insert this clause in all contracts that exceed $5 million, except when the contract -

(1) Is for the acquisition of a commercial item; or

(2) Is performed entirely outside of the United States.

q. **American Recovery and Reinvestment Act of 1009 (February 2009).** Include this clause in every contract over $25,000 that is funded, in whole or in part, by the Recovery Act unless the contract is with an individual.

EXHIBIT 10.3-A

Title	Form Number
Clauses	
Administration of Cost Accounting Standards	CAS-1
Cost Accounting Standards	CAS-2
Cost Accounting Standards Educational Institutions Clause	CAS-3
Disclosure and Consistency of Cost Accounting Practices	CAS-4
Disclosure and Consistency of Cost Accounting Practices/ Educational Institutions	CAS-5
Facility Clearance	PD-111
Notice of Total Small Business Set-Aside	PD-145
Notice of Total Small Business Set-Aside (non-manufacturing rule)	PD-146
Subcontractor Safety Orientation	PD-147
Privacy Act	PD-132
Workplace Substance Abuse Programs at DOE Sites	

10.4 STANDARD CONTRACT FORMATS

10.4.1 PURPOSE

This guideline is established to provide procurement personnel a list of approved contract formats.

10.4.2 SCOPE

Approved Argonne contract formats available are listed for procurement personnel use in alphabetical sequence at **Exhibit 10.4-A.**

EXHIBIT 10.4-A

Title
Standard Contract Formats
AMOS ADP Blanket
Architech-Engineering
BOA
Change Order
Change Order to Federal Agency Purchase Order
Change Order to Memorandum Purchase Order
Cost No Fee R&D with Education Institution
Cost Plus Fixed Fee
CRADA Funds in
CRADA Funds in Coop EPAct
CRADA Funds in for 3
CRADA Funds in STTR
CRADA Multi-Lab
CRADA Project Letter Agreement
CRADA USCAR
CRADA USIC
CRADA wo Funds In
CRADA wo Funds in 3
CRADA wo Funds in Coop EPAct
Federal Agency Purchase Order
Fixed Price
Fixed Price Construction
Indefinite Delivery

EXHIBIT 10.4-A (CONT.)

Title
Standard Contract Formats
Independent Contractor Agreement
Labor Hour
Memorandum Purchase Order
New Brunswick Order Form
NIS BOA
NIS Work Order
PCI (Protected Critical Infrastructure Information)
Individual Non-Disclosure Agreement
Professional Services Agreement
Purchase Order
Purchase Order Commercial
Retention Agreement
Solicitation Amendment
Standard Research Contract
Standard Sales Agreement
Supplemental Agreement
Supplemental Agreement to Reduce Contract Obligation
Task Order
WFO
WFO Agreement Amendment
WFO Agreement Waiver Decline
WFO Federally Funded Amendment
WFO Federally Funded No Cost Time Extension Amendment
WFO Federally Reimbursed Sponsors
WFO Isotope and Technical Service Order
WFO Sponsor Elects
WFO Standard Agreement with Non Federal Sponsors
WFO TSA Non-Proprietary
WFO TSA Proprietary
Work Order
Work Order Revision 1

10.5 LIST OF FORMS

10.5.1 PURPOSE

This guideline provides procurement personnel a single reference point for commonly used forms.

10.5.2 SCOPE

Forms are listed in alphabetical sequence below in **Exhibit 10.5-A.**

EXHIBIT 10.5-A

Title	Form Number
"A"	
Abstract of Offers	SF-1409
Acceptance Criteria Listing	ANL-266
Action Slip	PUR-18
Advance Procurement Plan Guidelines Milestones	ANL-412
Appendices—	
Appendix "A" – Terms and Conditions For Cost-Reimbursement Contracts	**ANL-524**
Appendix "A" – Terms and Conditions With Educational Institutions	**PD-104**
Appendix "A" – Terms and Conditions for FP Architect-Engineer Contracts	**ANL-525**
Appendix "A" – Terms and Conditions for FP Construction Contracts	**ANL-526**
Appendix "A" – Terms and Conditions For FP Contracts	**ANL-527**
Appendix "A" – Terms and Conditions For Labor-Hour and Time-And-Materials Contracts	**ANL-528**
Argonne Terms and Conditions For Commercial Items	**ANL-71-COM**
Argonne Terms and Conditions (For Non-Commercial Awards $10,000 & Over)	**ANL-71T**
Argonne Terms and Conditions (For Non-Commercial Awards Under $10,000)	**ANL-460**
Appendix "____ – Specific Assignment	**PD-117**
Appendix "B" – Affirmative Action Requirements	**PD-115**
Appendix "C" – Travel Policy For Contractor Personnel	**ANL-529**
Appendix "C" – Travel Policy with Educational	**PD-144**

Title	Form Number
Institutions	
Appendix "D-01" – Intellectual Property Provisions – Research, Development, Demonstration Contract – General Contractor	ANL-530IP
Appendix "D-02" – Intellectual Property Provisions – Research, Development, Demonstration Contract – Small Business, Non-Profit Contractor	ANL-531IP
Appendix "D-03" – Intellectual Property Provisions – Research, Development, Demonstration Contract ($500,000 or Less) – Educational Institution Contractor – Software	ANL-532IP
Appendix "D-04" – Intellectual Property Provisions – Research, Development, Demonstration Contract ($500,000 or Less) – Educational Institution Contractor	ANL-533IP
Appendix "D-05" – Intellectual Property Provisions – Research, Development, Demonstration Contract (Greater than $500,000) – Educational Institution Contractor – Software	ANL-534IP
Appendix "D-06" – Intellectual Property Provisions – Research, Development, Demonstration Contract (Greater than $500,000) – Educational Institution Contractor	ANL 535IP
Appendix "D-07" – Intellectual Property Provisions – Supplies And Services Not Requiring Delivery of Data	ANL-536IP
Appendix "D-08" – Intellectual Property Provisions – Supply and Services Contract Requiring Delivery of Data	ANL-537IP
Appendix "D-08-C" – Intellectual Property Provisions Supply and Commercial Services Contract Requiring Delivery of Data	ANL-562IP
Appendix "D-09" – Intellectual Property Provisions For A Special Works Contract	ANL-538IP
Appendix "D-10" – Intellectual Property Provisions – Consultant Contract – General Contractor or An Individual (Not A Small Business)	ANL-539IP
Appendix "D-11" – Intellectual Property Provisions – Consultant Contract – Small Business, Educational or Non-Profit Institutions	ANL-540IP
Appendix "D-12" – Intellectual Property, Job Shop (Legal concurrence required before use)	PD-118
Appendix "K" – Sensitive Foreign National Controls	ANL-563
Area Map	ANL-133

Title	Form Number
Argonne National Laboratory Inspection & Acceptance Memorandum	ANL-553
Argonne Week Classified Ad Request	ANL-257
Assignment of Refunds, Rebates, Credits and Other Amounts	ANL-542
"B-C"	
Control of Government Property – Contractor Requirements	PD-150
Cost Accounting Standards—	
Administration of Cost Accounting Standards	**CAS-1**
Cost Accounting Standards	**CAS-2**
Cost Accounting Standards Educational Institutions Clause	**CAS-3**
Cost Accounting Standards Board Disclosure Statement	**CASB DS-1**
Cost Accounting Standards Booklet for Educational Institutions	**CASB DS-2**
Disclosure and Consistency of Cost Accounting Practices	**CAS-4**
Disclosure and Consistency of Cost Accounting Practices/Educational Institutions	**CAS-5**
Certificate of Commercial Pricing for Parts or Components	ANL-543
Certification of Commercial Pricing	ANL-544
Certification of Labor Compliance	ANL-564
Change Order	ANL-71A
Change Requisition	ANL-452
Checklist Procurement Documentation & Clearance	PD-1
Conflict of Interest/Confidentiality	ANL-404
Consultant Service & Travel Voucher	ANL-19
Contract Pricing Proposal (Production)	PD-8
Contract Pricing Proposal (Research & Development)	PD-9
Contract Pricing Proposal Format	PD-116
Contractor's Certificate of Current Cost or Pricing Data	ANL-545
Contractor's Release	ANL-546
Contractor's Request for Progress Payment	SF-1443
Cost/Price Work Request Form	PD-121
Cost Reduction Report	ANL-547
"D-E-F"	
Department of Energy Indemnity Approval (electronically produced ONLY)	ANL-579
Educational Assistance Form	ANL-89
Equal Opportunity Forms—	
Equal Employment Opportunity Employment Information Report EEO-1 (See Instruction Booklet	**SF-100**

Title	Form Number
Below)	
Equal Employment Opportunity Instruction Booklet	
Equal Employment Opportunity Is The Law (Poster),	
Equipment Verification Form	PD-149
Facsimile Cover Page	
Field Change Order	PD-19
Facility Clearance Forms—	
Certificate Pertaining to Foreign Interests	**SF-328**
Contract Security Classification Specification	**PD-152**
Facility Clearance (May 2002)	**PD-111**
Facility Clearance Requirements Matrix	**PD-114**
"G-H-I-J"	
Honorarium Authorization Voucher	ANL-19A
Justification for Noncompetitive Procurement	ANL-410
"K-L-M-N"	
Mailing Label w/Argonne Return Address	PD-11
Material Move Order	ANL-8
Message Form & Interoffice Mailing Slip	ANL-100
Multiuse Standard Requisitioning/Issue System Document	SF-344
Notice of Intention to Make a Service Contract and Response to Notice (Attachment A)	SF-98a
"O"	
Off-Site Supplemental Conditions and Instructions—	
Work by Contractors Off the Argonne Site Supplemental Conditions	**ANL-366-O**
Instructions for Off-Site Moderate and High Risk Service Contractor Environment, Safety and Health Requirements	**PD-123**
Instructions for Off-Site Low Risk Service Contractor Environment, Safety and Health Requirements	**PD-122**
On-Site Supplemental Conditions And Instructions—	
High Risk Work by Contractors on the Argonne Site Supplemental Conditions, Jan-00, ANL-366H	**ANL-366H**
Instructions for Construction Contractor Environment, Safety and Health Requirements	**PD-105**
Instructions for High Risk Service Contractor Environment, Safety, and Health Requirements	**PD-107**
Instructions for Low Risk Service Contractor Environment, Safety, and Health Requirements	**PD-110**
Instructions for Moderate Risk Service Contractor Environment, Safety, and Health Requirements	**PD-109**
Low Risk Work by Contractors on the Argonne Site Supplemental Conditions	**ANL-366L**
Moderate Risk Work by Contractors on the Argonne	**ANL-366M**

Title	Form Number
Site Supplemental Conditions	
Organizational Conflict Of Interest Forms--	
Organizational Conflict of Interest	**ANL-575**
Organizational Conflict of Interest Disclosure/Representation	**ANL-548**
Organizational Conflict of Interest - Review Sheet	**ANL-574**
Presolicitation Organizational Conflict of Interest Fact Sheet	**ANL-549**
"P"	
Personal Services Questionnaire – Part A	ANL-482A
Personal Services Questionnaire – Part B	ANL-482B
PFS Rigging Work Request	PFS-258
Pre-Award Review Form – IMSD/HRD	DOE-CH-415A
Procurement Summary – Commercial (Over $25,000)	PUR-33
Procurement Summary – Non-Commercial	ANL-554
Property Certificate	ANL-550
Proposal Evaluation Required in Support of Negotiated Contract Awards	ANL-555
Publication Release	ANL-330
Purchase Order	ANL-71
Purchase Order – Commercial	ANL-71-COM-PO
Purchase Order Control Sheet	PUR-4
Purchase Order Exception Waiver	PUR-7
Purchase Requisition	ANL-451
Purchase Requisition Continuation Sheet	ANL-451A
"Q-R"	
Quality Assurance Procurement Requirements	ANL-407
Records Transfer & Storage Register	ANL-46
Release	ANL-560
Request for Approval of Subcontract or P.O. Action	PD-2
Request for Davis Bacon Determination	DOE-CH Form 164
Request for Disbursement or Reimbursement	ANL-88
Request for Duty Free Entry of Scientific Instruments or Apparatus	ITA-338P
Request for Legal Review	ANL-475
Request for Personal Services	ANL-57A
Request for Quotation	ANL-70
Request for Signature Authorization	ANL-38
Representations And Certifications	
Pre-Award Information Booklet of Representations and Certifications	**ANL-70-B**
Representations and Certifications, (Short Form)	**ANL-70-A**

Title	Form Number
Pre-Award Information (for Electronic Representations and Certifications)	**PD-159**
Pre-Award Information (for Electronic Representations and Certifications), (Short Form)	**PD-158**
"S"	
Service Contract Act--	
Service Contract Act Certification	**PD-119**
Service Contract Act Exemption	**PD-120**
Service Contract Act of 1965 (Over $2,500)	**ANL-551**
Service Contract Act of 1965 – For Actions Under $2,500	**ANL-552**
Shipping Order	ANL-126C
Signature Release	ANL-392
Solicitation Milestone Plan	ANL-556
Speed Letter	ANL-157
Standing Order Release	ANL-71C
Stores Material Request	ANL-32A
Subcontracting Report for Individual Contracts	SF-294
Substance Abuse Programs at DOE Sites (10 CFR 707)	ANL-577
Summary Subcontract Report	SF-295
Supply Policy (Property Management Self-Evaluation Questionnaire, (Unnumbered)	
Supplier Disposition Request (SDR)	ANL-311
"T"	
Task Order	ANL-71D
Tax Certifications, State And Federal	
Illinois Employee Non-Residence Statement	**IL-W-NRS**
W-4 Employee's Withholding Allowance Certificate	**IL-W-4**
Technical Review Request	ANL-557
Telephone Conversation Record	PD-103
Transfer Order Excess Personal Property	SF-122
"U-V-W"	
Vacation Request	ANL-52
Weighted Guidelines Profit/Fee Objective	PD-10
Work Order Award Checklist	ANL-558
Workplace Substance Abuse at DOE Sites Agreement	ANL-577