

**Part I – The Schedule**  
**Section H**  
**Special Contract Requirements**

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## H.1 DOE-H-2013 Consecutive Numbering (Oct 2014)

Due to automated procedures employed in formulating this document, clauses and provisions contained within may not always be consecutively numbered.

### Contractor Human Resource Management (CHRM) Clauses

## H.2 DOE-H-2002 No Third Party Beneficiaries (Oct 2014)

This Contract is for the exclusive benefit and convenience of the parties hereto. Nothing contained herein shall be construed as granting, vesting, creating or conferring any right of action or any other right or benefit upon past, present or future employees of the Contractor, or upon any other third party.

This provision is not intended to limit or impair the rights which any person may have under applicable Federal statutes.

## H.3 Definitions

For purposes of Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*, through Section H entitled, *Workforce Transition and Benefits Transition: Plans and Timeframes*, the following definitions are applicable (unless otherwise specified):

- (A) "Contract Award Date" means the date the contract is signed by the Contracting Officer (CO), noted in Block 28 of the Standard Form 33, *Solicitation, Offer and Award*.
- (B) "Contract Transition Period" means the 120 day transition as defined in Section F of this Contract.
- (C) "Incumbent contractor" means Mission Support Alliance, LLC (MSA) and MSA's preselected teaming subcontractors at the time of Notice to Proceed.
- (D) "Incumbent Employees" means employees who are employees of MSA and MSA's preselected teaming subcontractors at the time of Notice to Proceed.
- (E) "Non-Incumbent Employees" are employees other than Incumbent Employees.
- (F) "Hanford Site Pension Plan (HSPP) Eligible Employees" are employees who, based on prior employment and the terms of the HSPP, are eligible to participate, or to return and participate in the HSPP and accrue Benefit Service as defined in the HSPP.
- (G) "Non-HSPP Eligible Employees" are employees who do not meet the definition of HSPP Eligible Employees as described in paragraph (F) above.
- (H) "Notice to Proceed (NTP)" means the authorization issued by the CO to start performance on this Contract.

## H.4 Workforce Transition and Employee Hiring Preferences Including through Period of Performance

The Contractor and its subcontractors shall maintain and develop trained and qualified personnel to perform the work scope included in Section C, consistent with applicable law, and the terms of this Contract, including the paragraphs set forth below. Means of maintaining and developing a trained and qualified workforce may include, but are not limited to, the utilization of apprentices, interns, veterans, and summer hires.

The Contractor shall also comply with the hiring preferences set forth below:

- (A) The Contractor shall comply with the right of first refusal for employment for service employees and all of the requirements set forth in Federal Acquisition Regulation (FAR) 52.222-17 for the applicable work and positions. If a qualified service employee declines a bona fide express offer of employment, the Contractor need not provide the preference in hiring in paragraphs (B)(1)(a) and (b) below to such employee, but should provide the other preferences in Paragraph (B) below, as applicable.
- (B) The Contractor shall provide, during the transition period and throughout the period of performance, preferences in hiring for vacancies for non-managerial positions (i.e., all those below the first line of supervision) in non-construction activities of the Performance Work Statement (PWS) under this Contract, in accordance with the hiring preferences in paragraphs (1)-(3) below (subject to paragraph [A] above), in descending order of priority, and in accordance with applicable law, and applicable site seniority lists as provided to the Contractor by the CO, as set forth below.
  - (1) The Contractor shall provide Incumbent Employees the hiring preferences in paragraphs (a) and (b) in descending order of priority:
    - (a) A right of first refusal for vacancies in non-managerial positions that are substantially equivalent to the positions the above employees held at the Notice to Proceed date.
    - (b) A preference in hiring for vacancies in non-managerial positions for the above employees who meet the qualifications for the position and who have been identified by their employer as being at risk of being involuntarily separated because of the transfer of this work scope to the Contractor.
  - (2) The Contractor shall give a preference in hiring to individuals set forth below in paragraphs (a) and (b), in descending order of priority, who are eligible for the hiring preference contained in the clause in Section I of this Contract entitled Department of Energy Acquisition Regulation (DEAR) 952.226-74, *Displaced Employee Hiring Preference*, consistent with the provisions of any applicable Workforce Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees:
    - (a) Employees who are former employees of MSA and MSA's preselected teaming subcontractors; or any other DOE contractor at Hanford; and
    - (b) Former employees of any other U.S Department of Energy (DOE) contractor or subcontractor at a DOE defense nuclear facility eligible for the hiring preference.
  - (3) The Contractor shall give a preference in hiring to individuals (a) who have separated from employment at MSA and MSA's preselected teaming subcontractors; (b) who are not precluded from seeking employment at the Hanford Site by the terms of employee waivers or releases of claims they executed, absent repayment of severance consistent with the terms of those agreements; and (c) who are qualified for a particular position or who may not meet the qualifications for a particular position, but who agree to become qualified and can become qualified by the commencement of active employment under this Contract.



## H.5 DOE-H-2001 Employee Compensation: Pay and Benefits (Oct 2014)

### (A) Contractor Employee Compensation Plan

The Contractor shall submit, for CO approval, by close of contract transition, a Contractor Employee Compensation Plan demonstrating how the Contractor will comply with the compensation requirements of this Contract. The Contractor Employee Compensation Plan shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support, at reasonable cost, the effective recruitment and retention of a highly-skilled, motivated, and experienced workforce.

A description of the Contractor Employee Compensation Program should include the following components:

- (a) Philosophy and strategy for all pay delivery programs;
- (b) System for establishing a job worth hierarchy;
- (c) Method for relating internal job worth hierarchy to external market;
- (d) System that links individual and/or group performance to compensation decisions;
- (e) Method for planning and monitoring the expenditure of funds;
- (f) Method for ensuring compliance with applicable laws and regulations;
- (g) System for communicating the programs to employees;
- (h) System for internal controls and self-assessment; and
- (i) System to ensure that reimbursement of compensation, including stipends, for employees who are on joint appointments with a parent or other organization shall be on a pro-rated basis.

### (B) Total Compensation System

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

### (C) Requirements for Subcontractors with HSPP Eligible Employees

DOE and the Contractor shall agree to the preselected teaming subcontractors that will be subject to the requirements to provide pension and other benefits for HSPP Eligible Employees, as defined in paragraph (F) of Section H entitled, *Definitions*.

- (1) The Contractor shall submit to DOE no later than thirty days prior to the close of the Transition Period, as defined in the Section F clause entitled, *Period of Performance*, a list of preselected teaming subcontractors that will flow down the requirement for continuation of benefits to HSPP Eligible Employees.
- (2) The Contractor may thereafter propose changes to those subcontractors subject to paragraph (1) above. Such proposed changes shall not be effective or implemented without prior written approval by the CO. Approval of a proposed change is at the unilateral discretion of the CO.

- (3) The Contractor shall flow down, to all subcontractors that are subject to the agreement in paragraph (1) and (2) of this section, the requirements of paragraphs (G) and (H) of Section H entitled, *Employee Compensation: Pay and Benefits*; and paragraphs (A) and (B) of the Section H clause entitled, *Post Contract Responsibilities for Pension and Other Benefit Plans*.
- (4) Subject to other subcontract review and approval requirements in this Contract, this clause does not limit the Contractor's ability to utilize subcontractors as necessary to perform Contract requirements.

(D) Reports and Information

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

- (1) An Annual Contractor Salary-Wage Increase Expenditure Report to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure showing actual against approved amounts and planned distribution of funds for the following year.
- (2) A list of the top five most highly-compensated executives, as defined in FAR 31.205-6(p)(1)(ii) and their total cash compensation at the time of NTP and at the time of any subsequent change to their total cash compensation. This should be the same information provided to the System for Award Management (SAM) in accordance with FAR 52.204-10.
- (3) An Annual Report of Compensation and Benefits. Report no later than March 1 of each year in iBenefits or its successor.

(E) Employee Compensation Programs

The Contractor shall establish compensation programs for Incumbent Employees and Non-Incumbent Employees, as set forth in paragraphs (1) and (2) below and consistent with any applicable law, provided, however, that employees scheduled to work fewer than 20 hours per week receive only those benefits required by law. Employees are eligible for benefits, subject to the terms, conditions, and limitations of each benefit program.

- (1) Incumbent Employees are as defined in Section H entitled, *Definitions*, paragraph (D).

Pay: The Contractor shall provide equivalent base pay, as compared to the base pay provided and reimbursed by the government, to Incumbent Employees for at least the first year of the term of the Contract.

- (2) Non-Incumbent Employees are as defined in Section H entitled, *Definitions*, paragraph (E). All Non-Incumbent Employees shall receive a total pay and benefits package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the Contractor recruits its employees, and in accordance with Contract requirements.

(3) Cash Compensation

- (a) The Contractor shall submit the following to the CO for a determination of cost allowability for reimbursement under the Contract:
  - (i) Any proposed major compensation program design changes prior to implementation.
  - (ii) Variable pay programs/incentives. If not already authorized under Section H entitled, *Employee Compensation: Pay and Benefits*, paragraph (A) above of the contract, a

justification shall be provided with proposed costs and impacts to budget, if any.

- (iii) In the absence of Departmental policy to the contrary (e.g., Secretarial pay freeze) a Contractor that meets the criteria, as set forth below, is not required to submit a Compensation Increase Plan (CIP) request to the CO for an advance determination of cost allowability for a Merit Increase fund or Promotion/Adjustment fund.
  - (1) The Merit Increase fund does not exceed the mean percent increase included in the annual Departmental guidance providing the WorldatWork Salary Budget Survey's salary increase projected for the CIP year. The Promotion/Adjustment fund does not exceed one (1) percent in total.
  - (2) The budget used for both Merit Increase funds and Promotion/Adjustment funds shall be based on the payroll for the end of the previous CIP year.
  - (3) Salary structure adjustments do not exceed the mean WorldatWork structure adjustments projected for the CIP year and communicated through the annual Department CIP guidance.
  - (4) Please note: No later than the first day of the CIP cycle, Contractors must provide notification to the CO of planned increases and position to market data by mutually agreed-upon employment categories. No presumption of allowability will exist for employee job classes that exceed market position.
- (iv) If a Contractor does not meet the criteria included in (iii) above, a CIP must be submitted to the CO for an advance determination of cost allowability. The CIP should include the following components and data:
  - (1) Comparison of average pay to market average pay;
  - (2) Information regarding surveys used for comparison;
  - (3) Aging factors used for escalating survey data and supporting information;
  - (4) Projection of escalation in the market and supporting information;
  - (5) Information to support proposed structure adjustments, if any;
  - (6) Analysis to support special adjustments;
  - (7) Funding requests for each pay structure to include breakouts of merit, promotions, variable pay, special adjustments, and structure movement. (a) The proposed plan totals shall be expressed as a percentage of the payroll for the end of the previous CIP year. (b) All pay actions granted under the compensation increase plan are fully charged when they occur regardless of time of year in which the action transpires and whether the employee terminates before year end. (c) Specific payroll groups (e.g., exempt, nonexempt) for which CIP amounts are intended shall be defined by mutual agreement between the contractor and the CO. (d) The CO may adjust the CIP amount after approval based on major changes in factors that significantly affect the plan amount (for example, in the event of a major reduction in force or significant ramp-up);
  - (8) A discussion of the impact of budget and business constraints on the CIP amount;
  - (9) Comparison of pay to relevant factors other than market average pay.
- (v) After receiving DOE CIP approval or if criteria in (E)(3)(a)(iii) are met, contractors may make minor shifts of up to 10 percent of approved CIP funds by employment category (e.g., Scientist/Engineer, Administrative, Exempt, Non-Exempt) without obtaining DOE approval.

- (vi) Individual compensation actions for the top contractor official (e.g., laboratory director/plant manager or equivalent) and key personnel not included in the CIP. For those key personnel included in the CIP, DOE will approve salaries during the Contract Transition period and when key personnel are replaced during the life of the Contract. DOE will have access to all individual salary reimbursements. This access is provided for transparency; DOE will not approve individual salary actions (except as previously indicated).
- (b) The CO's approval of individual compensation actions will be required only for the top contractor official (e.g., laboratory director/plant manager or equivalent) and key personnel as indicated in (E)(3)(a)(vi) above. The base salary reimbursement level for the top contractor official establishes the maximum allowable base salary reimbursement under the Contract. Unusual circumstances may require a deviation for an individual on a case-by-case basis. Any such deviations must be approved by the CO.
- (c) Except as set forth in a workforce restructuring plan approved by DOE, Severance Pay is not payable to an employee under this Contract if the employee:
  - (i) Voluntarily separates, resigns or retires from employment;
  - (ii) Is offered employment with a successor/replacement contractor;
  - (iii) Is offered employment with a parent or affiliated company; or
  - (iv) Is discharged for cause.
- (d) Service Credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost-reimbursement contract or task order.

(F) Employees Benefits

- (1) HSPP Eligible Employees shall remain in their existing pension plans (or comparable successor plans if continuation of the existing plans is not practicable), pursuant to pension plan eligibility requirements and applicable law.
- (2) Non-HSPP Eligible Employees shall receive a benefits package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the Contractor recruits its employees and in accordance with Contract requirements.

(G) Pension and Other Benefit Programs

- (1) No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans that increase costs or are contrary to Departmental policy or written instruction or until the CO makes a determination of cost allowability for reimbursement for new or changed benefit plans. Changes shall be in accordance with and pursuant to the terms and conditions of the contract. Advance notification, rather than approval, is required for changes that do not increase costs and are not contrary to Departmental policy or written instruction. To the extent that the Contractor has not submitted a new benefit plan or changes to existing benefit plans for approval on the basis that it does not increase costs and such new plan or change to existing plan does in fact increase costs, any increase in costs may be considered unreasonable and will likely be determined unallowable.
- (2) Cost reimbursement for employee pension and other benefit programs sponsored by the Contractor will be based on the CO's approval of Contractor actions pursuant to an approved

“Employee Benefits Value Study” and an “Employee Benefits Cost Survey Comparison” as described below.

- (3) Unless otherwise stated, or as directed by the CO, the Contractor shall submit the studies required in paragraphs (a) and (b) below, except for defined benefit plans that are closed to new entrants. The studies shall be used by the Contractor in calculating the cost of benefits under existing benefit plans. An Employee Benefits Value (BenVal) Study Method using no less than 15 comparator organizations and an Employee Benefits Cost Survey comparison method shall be used in this evaluation to establish an appropriate comparison method. In addition, the Contractor shall submit updated studies to the CO for approval prior to the adoption of any change that increases the costs to a pension plan or other benefit plan.
  - (a) A BenVal, every two years for each benefit tier (e.g., group of employees receiving a benefit package based on date of hire), which is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor to Employees measured against the RV of benefit programs offered by the CO approved comparator companies. To the extent that the value studies do not address post-retirement benefits other than pensions, the Contractor shall provide a separate cost and plan design data comparison for those benefits using external benchmarks derived from nationally recognized and CO-approved survey sources.
  - (b) An Employee Benefits Cost Study Comparison, annually for each benefit tier that analyzes the Contractor’s employee benefits cost for employees as a percent of payroll and compares it with the cost as a percent of payroll, including geographic factor adjustments, reported by the U.S. Department of Labor’s Bureau of Labor Statistics or other CO approved, broad based, national survey.
    - (1) When the net benefit value exceeds the comparator group by more than five percent, the Contractor shall submit a corrective action plan to the CO for approval, unless waived in writing by the CO.
    - (2) When the benefit costs as a percent of payroll exceeds the comparator group by more than five percent, and if required by the CO, the Contractor shall submit an analysis of the specific plan costs that result in or contribute to the percent of payroll exceeding the costs of the comparator group and submit a corrective action plan if directed by the CO.
    - (3) Within two years, or longer as agreed to between the Contractor and the Contracting Officer, of the Contracting Officer acceptance of the Contractor’s corrective action plan, the Contractor shall align employee benefit programs with the benefit value and the cost as a percent of payroll in accordance with its corrective action plan.
    - (4) The Contractor may not terminate any benefit plan during the term of the Contract without the prior approval of the CO in writing.
    - (5) Cost reimbursement for post-retirement benefits other than pensions (PRB) is contingent on DOE approved service eligibility requirements for PRBs that shall be based on a minimum period of continuous employment service not less than five years under a DOE cost reimbursement contract(s) immediately prior to retirement. Unless required by Federal or state law, advance funding of PRBs is not allowable.
    - (6) Each contractor sponsoring a defined benefit pension plan and/or postretirement benefit plan will participate in the annual plan management process which includes written responses to a questionnaire regarding plan management, providing forecasted estimates of future reimbursements in connection with the plan(s) and participating in a conference call to discuss the contractor submission (see (I)(7) below for Pension Management Plan requirements).

- (7) Each contractor will respond to quarterly data calls issued through iBenefits, or its successor system.

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

- (1) Employees working for the Contractor shall only accrue credit for service under this Contract after the date of NTP.
- (2) Except for Commingled Plans in existence as of the date the Contractor assumes full responsibility for the performance of the contract requirements (immediately following the transition period), any pension plan maintained by the Contractor for which DOE reimburses costs shall be maintained as a separate pension plan distinct from any other pension plan that provides credit for service not performed under a DOE cost-reimbursement contract. When deemed appropriate by the CO, Commingled Plans shall be converted to Separate Plans after the date of Notice to Proceed or the extension of a contract.

(I) Basic Requirements

The Contractor shall adhere to the requirements set forth below in the establishment and administration of pension plan and other benefit plans that are reimbursed by DOE pursuant to cost reimbursement contracts for management and operation of DOE facilities and pursuant to other cost reimbursement facilities contracts. Pension Plans include Defined Benefit and Defined Contribution plans.

- (1) The Contractor shall become a sponsor of the existing pension and other benefit plans listed below, (or if continuation of the existing plans is not practicable, comparable successor plans), including other PRB plans, as applicable, with responsibility for management and administration of the plans. The Contractor shall be responsible for maintaining the qualified status of those plans consistent with the requirements of Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code (IRC). The Contractor shall carry over the length of service credit and leave balances accrued as of the date of the Contractor's assumption of Contract performance.
  - (a) The Hanford Site Pension Plan (HSPP)
  - (b) The Hanford Site Savings Plan (HSSP)
  - (c) The Hanford Employee Welfare Trust (HEWT)
  - (d) The Fernald Welfare Benefits Plan
- (2) It is anticipated that the Contractor will become responsible for the post-retirement benefit plans currently maintained by Washington River Protection Solutions under Contract No. DE-AC27-09RV14800 listed below:
  - (a) The Rocky Flats Employee Welfare Plan; and
  - (b) The Mound Welfare Benefits Plan.
- (3) Each Contractor's defined benefit and defined contribution pension plans shall be subjected to a limited-scope audit annually that satisfies the requirements of ERISA section 103, except that every third year the Contractor must conduct a full-scope audit of defined benefit plan(s) satisfying ERISA section 103. Alternatively, the Contractor may conduct a full-scope audit satisfying ERISA section 103 annually. In all cases, the Contractor must submit the audit results to the CO. In years in which a limited scope audit is conducted, the Contractor must provide the CO with a copy of the qualified trustee or custodian's certification regarding the investment information that provides the basis for the plan sponsor to satisfy reporting requirements under

ERISA section 104.

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

- (4) For existing Commingled Plans, the Contractor shall maintain and provide annual Separate Accounting of DOE liabilities and assets for a Separate Plan.
- (5) For existing Commingled Plans, the Contractor shall be liable for any shortfall in the plan assets caused by funding or events unrelated to DOE contracts.
- (6) The Contractor shall comply with the requirements of ERISA if applicable to the pension plan and any other applicable laws.
- (7) The Pension Management Plan (PMP) shall include a discussion of the Contractor's plans for management and administration of all pension plans consistent with the terms of this Contract. The PMP shall be submitted in the iBenefits system, or its successor system no later than January 31 of each applicable year. A full description of the necessary reporting will be provided in the annual management plan data request. Within 60 days after the date of the submission, appropriate Contractor representatives shall participate in a conference call to discuss the Contractor's PMP submission and any other current plan issues.
- (8) Benefits for HSPP Eligible Employees.
  - (a) HSPP - The Contractor shall ensure that HSPP Eligible Employees are allowed to participate in the HSPP consistent with the terms of the provisions of the HSPP as amended.
  - (b) HSSP - The Contractor shall ensure that HSPP Eligible Employees are allowed to participate in the HSSP consistent with the terms of the provisions of the HSSP as amended.
  - (c) HEWT - The Contractor shall ensure that HSPP Eligible Employees are allowed to participate in the HEWT and receive medical and other benefits under the HEWT consistent with the terms of the HEWT, as amended.
- (9) Pension and Other Benefits for Non-HSPP Eligible Employees.
  - (a) The Contractor shall offer a market-based package of retirement and medical benefits competitive for the industry to individuals who are Non-HSPP Eligible Employees. If the Contractor meets all applicable legal and tax requirements, the Contractor may establish a qualified separate line of business pursuant to IRC 410 and 414 for the purpose of maintaining the Federal tax qualification of pension covering the Contractor's employees.
  - (b) Any benefit programs established and/or maintained by the Contractor, for which DOE reimburses costs, shall meet the tests of allowability and reasonableness established by FAR 31-205-6 and DEAR 970.3102-05-6.

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

- (1) Contractors that sponsor single employer or multiple employer defined benefit pension plans will be reimbursed for the annual required minimum contributions under the ERISA, as amended by the Pension Protection Act (PPA) of 2006 and any other subsequent amendments. Reimbursement above the annual minimum required contribution will require prior approval of the CO. Minimum required contribution amounts will take into consideration all pre-funding balances and funding standard carryover balances. Early in the fiscal year but no later than the end of November, the Contractor requesting above the minimum, may submit/update a business

case for funding above the minimum if preliminary approval is needed prior to the Pension Management Plan process. The business case shall include a projection of the annual minimum required contribution and the proposed contribution above the minimum. The submission of the business case will provide the opportunity for the Department to provide preliminary approval, within 30 days after contractor submission, pending receipt of final estimates, generally after January 1st of the calendar year. Final approval of funding will be communicated by the Head of Contracting Activity (HCA) when discount rates are finalized and it is known whether there are any budget issues with the proposed contribution amount.

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

(K) Reporting Requirements for Designated Contracts

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

- (1) Actuarial Valuation Reports. The annual actuarial valuation report for each DOE-reimbursed pension plan and when a pension plan is commingled, the Contractor shall submit separate reports for DOE's portion and the plan total by the due date for filing Internal Revenue Service (IRS) Form 5500.
- (2) Forms 5500. Copies of IRS Forms 5500 with Schedules for each DOE-funded pension plan, no later than that submitted to the IRS.
- (3) Forms 5300. Copies of all forms in the 5300 series submitted to the IRS that document the establishment, amendment, termination, spin-off, or merger of a plan submitted to the IRS.

(L) Changes to Pension Plans

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

- (1) For proposed changes to pension plans and pension plan funding, the Contractor shall provide the following to the CO:
  - (a) A copy of the current plan document (as conformed to show all prior plan amendments), with



- the proposed new amendment indicated in redline/strikeout;
- (b) An analysis of the impact of any proposed changes on actuarial accrued liabilities and costs;
  - (c) Except in circumstances where the CO indicates that it is unnecessary, a legal explanation of the proposed changes from the counsel used by the plan for purposes of compliance with all legal requirements applicable to private sector defined benefit pension plans;
  - (d) The Summary Plan Description (SPD); and
  - (e) Any such additional information as requested by the CO.
- (2) Contractors shall submit new benefit plans and changes to plan design or funding methodology with justification to the CO for approval, as applicable (see (L)(1) above). The justification must:
- (a) Demonstrate the effect of the plan changes on the contract net benefit value or percent of payroll benefit costs;
  - (b) Provide the dollar estimate of savings or costs; and
  - (c) Provide the basis of determining the estimated savings or cost.

(M) Terminating Operations

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

- (1) No further benefits for service shall accrue.
- (2) The Contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the DOE contract.
- (3) The Contractor shall base its pension liabilities attributable to DOE contract work on the market value of annuities or lump sum payments, or dispose of such liabilities through a competitive purchase of annuities or lump sum payouts.
- (4) Assets shall be determined using the “accrual-basis market value” on the date of termination of operations.
- (5) DOE and the Contractor(s) shall establish an effective date for spin-off or plan termination on the same day as the Contractor notifies the IRS of the spin-off; or
- (6) Plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(N) Terminating Plans

- (1) DOE Contractors shall not terminate any pension plan (Commingled or site specific) without requesting Departmental approval at least 60 days prior to the scheduled date of plan termination.
- (2) To the extent possible, the Contractor shall satisfy plan liabilities to plan participants by the purchase of annuities through competitive bidding on the open annuity market or lump sum payouts. The Contractor shall apply the assumptions and procedures of the Pension Benefit Guaranty Corporation.
- (3) Funds to be paid or transferred to any party as a result of settlements relating to pension plan

termination or reassignment shall accrue interest from the effective date of termination or reassignment until the date of payment or transfer.

- (4) If ERISA or IRC rules prevent a full transfer of excess DOE reimbursed assets from the terminated plan, the Contractor shall pay any deficiency directly to DOE according to a schedule of payments to be negotiated by the parties.
- (5) On or before the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.
- (6) DOE liability to a Commingled pension plan shall not exceed that portion which corresponds to DOE contract service. The DOE shall have no other liability to the plan, to the plan sponsor, or to the plan participants.
- (7) After all liabilities of the plan are satisfied, the Contractor shall return to DOE an amount equaling the asset reversion from the plan termination and any earnings which accrue on that amount because of a delay in the payment to DOE. Such amount and such earnings shall be subject to DOE audit. To affect the purposes of this paragraph, DOE and the Contractor may stipulate to a schedule of payments.

(O) Special Programs

Contractors must advise DOE and receive prior approval for each early-out program, window benefit, disability program, plan-loan feature, employee contribution refund, asset reversion, or incidental benefit.

(P) Definitions

- (1) Commingled Plans. Cover employees from the Contractor's private operations and its DOE contract work.
- (2) Current Liability. The sum of all plan liabilities to employees and their beneficiaries. Current liability includes only benefits accrued to the date of valuation. This liability is commonly expressed as a present value.
- (3) Defined Benefit Pension Plan. Provides a specific benefit at retirement that is determined pursuant to the formula in the pension plan document.
- (4) Defined Contribution Pension Plan. Provides benefits to each participant based on the amount held in the participant's account. Funds in the account may be comprised of employer contributions, employee contributions, investment returns on behalf of that plan participant and/or other amounts credited to the participant's account.
- (5) Designated Contract. For purposes of this clause, a contract (other than a prime cost reimbursement contract for management and operation of a DOE facility) for which the HCA determines that advance pension understandings are necessary or where there is a continuing Departmental obligation to the pension plan.
- (6) Pension Fund. The portfolio of investments and cash provided by employer and employee contributions and investment returns. A pension fund exists to defray pension plan benefit outlays and (at the option of the plan sponsor) the administrative expenses of the plan.
- (7) Separate Accounting. Account records established and maintained within a Commingled plan for assets and liabilities attributable to DOE contract service. NOTE: The assets so represented are not for the exclusive benefit of any one group of plan participants.

- (8) Separate Plan. Must satisfy IRC Sec. 414(l) definition of a single plan, designate assets for the exclusive benefit of employees under DOE contract, exist under a separate plan document (having its own Department of Labor plan number) that is distinct from corporate plan documents and identify the Contractor as the plan sponsor.
- (9) Spun-off Plan. A new plan which satisfies IRC Reg. 1.414 (l)-1 requirements for a single plan and which is created by separating assets and liabilities from a larger original plan. The funding level of each individual participant's benefits shall be no less than before the event, when calculated on a "plan termination basis."

## H.6 Special Voluntary Retirement Program Payment Authorization

The Contractor is authorized to reimburse, as an allowable cost, monthly payments associated with the 1996 Special Voluntary Retirement Program in accordance with RL letter 17-PRO-0031 REISSUE, dated November 28, 2016. Each monthly payment will continue until the month of the retiree's death or spouse's death, whichever is later. The Contractor shall make such payments, as allowable costs, for the terms of the contract only. Any costs related to these payments, such as administration, employer taxes, etc., are also considered allowable.

## H.7 Special Provisions Applicable To Workforce Transition and Employee Compensation: Pay and Benefits

- (A) Service Credit. The Contractor shall provide pension and other benefit plans, to Incumbent Employees and all other employees hired by the Contractor and service credit for leave as set forth below:
  - (1) Service Credit for Leave. For Incumbent Employees hired by the Contractor as set forth in Section H entitled, *Definitions*, the Contractor shall carry over the length of service credit from MSA and MSA's preselected teaming subcontractors for purposes of determining rates of accruing leave for these employees as required by and consistent with applicable law.
  - (2) Service Credit for Fringe Benefits Other Than Leave. Service credit for all individuals hired by the Contractor shall be applied consistent with any applicable law, and the terms of the applicable benefit plan(s). Service credit for purposes of severance pay is subject to Section H entitled, *Employee Compensation: Pay and Benefits*.
- (B) Allowable Salary for Key Personnel. Within 20 days after NTP, or as identified by the CO, the Contractor shall submit DOE Form 3220.5, *Application for Contractor Compensation Approval*, to the CO for each key personnel position listed in the Contract for a determination of cost allowability for reimbursement under the Contract. To support a reasonableness determination, the Contractor shall also provide compensation market survey data to support/justify the requested salary and any other information as requested by the CO.

## H.8 Workforce Transition and Benefits Transition: Plans and Timeframes

- (A) Workforce (WF) Transition Plan. The Contractor shall submit a WF Transition Plan for CO approval, describing in detail the Contractor's plans and procedures as to how the Contractor will comply with the hiring preferences set forth in Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*, and Section I, DEAR 952.226-74, *Displaced Employee Hiring Preference*. The WF Transition Plan shall also detail the Contractor's plan for incorporating, if applicable, multiple unions with separate bargaining agreements. Notwithstanding timeframes identified elsewhere in the Contract, the Contractor shall perform the following activities in the specified timeframes:

- (1) Within 10 days after NTP, the Contractor shall:
  - (a) Provide the CO with a list of Contractor personnel who will be responsible for transitioning the employees of the Incumbent Contractor and for development of the transition agreements, including specifically the personnel responsible for ensuring that the Contractor complies with the National Labor Relations Act and Section H entitled, *Labor Relations*, and contact information for the above personnel.
  - (b) Submit to the CO a description of any and all transition agreements that it intends to enter into with MSA to ensure compliance with Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*, during the Contract Transition Period.
  - (c) Establish and submit to the CO a draft communication plan detailing the communication the Contractor and its subcontractors will engage in with their prospective employees, and any labor organizations representing those employees, regarding implementation of the requirements set forth in Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*, and Section H entitled, *Employee Compensation: Pay and Benefits*.
  - (d) Submit to the Contracting Officer a description of the process for regularly obtaining updated information from the Incumbent Contractor regarding the Incumbent Employees throughout the Contract Transition Period.
- (2) Within 15 days after NTP, the Contractor shall:
  - (a) Submit to the CO copies of the draft WF Transition Plan for the Contractor and its first and second tier subcontractors, including processes and procedures regarding how the Contractor will implement and ensure compliance with the hiring preferences set forth in Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*, and with the requirements of Section H entitled, *Labor Relations*, as applicable.
  - (b) Establish and provide a copy to the CO of its final written communication plan regarding:
    - (i) The implementation of the hiring preferences in Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*; and
    - (ii) The communication process among DOE, site tenants, and, if applicable, labor organizations representing Incumbent Employees.
- (3) Within 30 days after NTP, the Contractor shall provide to the CO a copy of the final WF Transition Plan described in paragraph (A) above.
- (4) Within 60 days after NTP, the Contractor shall provide to the CO copies of the final transition agreements described in paragraph (A)(1)(b) above.
- (5) The Contractor shall submit reports to the CO regarding the Contractor's and its subcontractors' implementation of the hiring preferences required by Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*, including paragraph (A) regarding the right of first refusal in accordance with the timeframes set forth below. These reports shall include the following information: employee, hire date or anticipated hire dates, and, where applicable, the Incumbent Contractor or subcontractor that employed the employee and the Contractor or subcontractor that hired the employee.
  - (a) During the 120 day Contract Transition Period, such reports shall be provided to the CO on a

weekly basis; or

(b) On a less frequent basis, if requested by the CO.

(6) The Contractor shall implement the transition activities as set forth in the approved transition plan and such other transition activities as may be authorized or directed by the CO.

(B) Benefits Transition Plan

(1) The Contractor shall submit a draft Benefits Transition Plan for CO approval, as set forth herein:

(a) A detailed description of the Contractor's plans and procedures showing how the Contractor will comply with Section H entitled, *Employee Compensation: Pay and Benefits*, and Section H entitled, *Special Provisions Applicable To Workforce Transition and Employee Compensation: Pay and Benefits*, and this Paragraph (B).

(b) A detailed description of the Contractor's policies regarding pensions and other benefits for which the Department reimburses costs under this Contract, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.

(c) A written description of how pension and other benefit plans provided to employees pursuant to Section H entitled, *Employee Compensation: Pay and Benefits*, and Section H entitled, *Special Provisions Applicable To Workforce Transition and Employee Compensation: Pay and Benefits*, will be transitioned, or if needed, developed and implemented on or before the last day of the 120 day Contract Transition Period.

(d) If needed, an asset transfer(s) agreement to transfer assets from MSA and MSA's preselected teaming subcontractors existing defined benefit plan to a new defined benefit plan to cover past eligibility service in order for the Contractor to adhere to the benefits sponsorship requirements set forth in this Contract. On or before the last day of the 120 day Contract Transition Period, the Contractor shall provide (1) a description of the necessary transactions, including but not limited to how the Contractor proposes to comply with the Contract and applicable law governing such transactions; and (2) a schedule for CO approval for when the benefit plan will be developed and assets transferred.

(2) The Contractor shall perform the following activities involving benefit transition within the timeframes specified below.

(a) Within 10 days after NTP, the Contractor shall:

(1) Provide the CO with a list of Contractor personnel who will be responsible for the transition of existing benefit plans, and, if needed, development of new benefit plans, including specifically the personnel responsible for ensuring that the Contractor develops and implements a defined benefit pension plan and a defined contribution pension plan and contact information for the above personnel; and

(2) Request MSA to provide information and documents necessary for the Contractor to adhere to the requirements set forth in this Contract pertaining to sponsoring existing benefits plans and the establishment of any new benefits plans, including, if needed, the transfer of assets from MSA and MSA's preselected teaming subcontractors' existing defined pension plan and other benefit plans on or before the end of the 120 day Contract Transition Period.

(3) Provide estimated costs and detailed breakouts of the costs to accomplish workforce and benefits transition activities within the timeframes specified, including the costs for

enrolled actuaries and counsel.

- (b) Within 15 days after NTP, the Contractor shall provide to the CO a list of the information and documents that the Contractor has requested from MSA pertaining to the existing benefit plans. The Contractor shall notify the CO on a timely basis of any issues or problems that it encounters in obtaining information or documents requested from MSA. Regardless of such notification, the Contractor remains responsible under this Contract for ensuring compliance with the terms of this Contract, including the timeframes set forth in this clause and the requirements in Section H entitled, *Employee Compensation: Pay and Benefits*, and Section H entitled, *Special Provisions Applicable To Workforce Transition and Employee Compensation: Pay and Benefits*.
- (c) Within 20 days of NTP, the Contractor shall:
  - (1) Submit the final draft Benefits Transition Plan;
  - (2) Submit a detailed description of its plans and processes, including timeframes and specific projected dates for accomplishment of each activity necessary to ensure compliance with the requirements set forth in Section H entitled, *Employee Compensation: Pay and Benefits*, and Section H entitled, *Special Provisions Applicable To Workforce Transition and Employee Compensation: Pay and Benefits*, including requirements pertaining to the transition of existing benefit plans and, if needed, the establishment of employee benefit plans; and
  - (3) Meet via televideo, teleconference, and/or in person with relevant personnel who administer the benefit plans for the Contractor, if and when necessary. The meeting shall include the Contractor's benefit plan administrators and personnel, head of human resources, ERISA counsel, actuaries, and any and all other personnel deemed necessary by the Contractor. During such meeting, the Contractor shall discuss all matters necessary to ensure the Contractor adheres to its obligations under Section H entitled, *Employee Compensation: Pay and Benefits*, and Section H entitled, *Special Provisions Applicable To Workforce Transition and Employee Compensation: Pay and Benefits*, including execution of transition agreements with the Incumbent Contractor and other applicable entities. The minutes of the meeting as well as a written description of any substantive issues identified at the meeting shall be submitted to the CO within two days after the meeting.
- (d) Within 30 days after NTP, the Contractor shall provide a final written Benefits Transition Plan to the CO, to include a written description of how the existing benefit plans provided to employees pursuant to Section H entitled, *DOE-H-2001 Employee Compensation: Pay and Benefits*, will be amended and restated on or before the last day of the Contract Transition Period.
- (e) Within 45 days after NTP, the Contractor shall provide the CO:
  - (1) Draft copies of the transition agreements the Contractor will enter into with the Incumbent Contractor(s), to ensure the Contractor's compliance with the pay and benefits requirements set forth in Section H entitled, *Employee Compensation: Pay and Benefits*; and
  - (2) Drafts of all amendments to or restatements of the pension and other benefit plans presently sponsored by the Incumbent Contractor. If applicable, the Contractor shall also submit all draft restated benefit plans and draft SPD for pension and other benefit plans sponsored by the Incumbent Contractors. Any and all such amendments shall comply

with applicable law governing such transactions and changes in sponsorship of the plans;  
or

- (3) If needed, as agreed to in the final written Benefits Transition Plan in (d) above, draft or proposed final versions of any new defined benefit and defined contribution pension plans and other benefit plans. The Contractor shall also submit draft SPD for the pension and any other benefit plans.
- (f) No later than 60 days after NTP and prior to the adoption or execution of those documents, the Contractor shall submit to the CO for approval the proposed final versions of the documents provided in paragraph (e) above.
- (g) The Contractor shall respond to any comments provided by the CO under any of the above paragraphs within two days of receipt of the comments.
- (h) After the Contract Transition Period and throughout the remaining period of performance of the Contract, the Contractor shall provide the following information promptly to the CO upon the request of the CO:
  - (1) Documents relating to benefit plans offered to Contractor Employees, including but not limited to SPDs, all Plan documents, applicable amendments, employee handbooks that summarize benefits provided to employees, and other documents that describe benefits provided to employees of the Contractor who perform work on this Contract;
  - (2) Any and all other documents pertaining to implementation of and compliance with implementation of the compensation and benefit programs identified in Section H entitled, *Employee Compensation: Pay and Benefits*; and
  - (3) Additionally, the Contractor shall provide timely data responses to Departmental annual and ad hoc pension and PRB data requests. Such data responses shall be provided within the timeframe established by the CO for each response and, if no timeframe is specified, the contractor shall provide the data response within one calendar day.

## **H.9 DOE-H-2004 Post Contract Responsibilities for Pension and Other Benefit Plans (Oct 2014)**

- (A) If this Contract expires and/or terminates and DOE has awarded a contract under which a new contractor becomes a sponsor and assumes responsibility for management and administration of the pension or other benefit plans identified in subparagraph (I)(1) of Section H entitled, *Employee Compensation: Pay and Benefits*, the Contractor shall cooperate and transfer to the new contractor its responsibility for sponsorship, management and administration of the Plans consistent with direction from the CO. If a Commingled plan is involved, the Contractor shall:
  - (1) Spin off the DOE portion of any Commingled Plan used to cover employees working at the DOE facilities into a separate plan. The new plan will normally provide benefits similar to those provided by the commingled plan and shall carry with it the DOE assets on an accrual basis market value, including DOE assets that have accrued in excess of DOE liabilities.
  - (2) Bargain in good faith with DOE or the successor contractor to determine the assumptions and methods for establishing the liabilities involved in a spinoff. DOE and the contractor(s) shall establish an effective date of spinoff. On or before the same day as the contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

- (B) If this Contract expires or terminates and DOE has not awarded a contract to a new contractor under which the new contractor becomes a sponsor and assumes responsibility for management and administration of the Plans, or if the CO determines that the scope of work under the Contract has been completed (any one such event may be deemed by the CO to be "Contract Completion" for purposes of this clause), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of this Contract, the following actions shall occur regarding the Contractor's obligations regarding the Plans at the time of Contract Completion:
- (1) Subject to subparagraph (2) below, and notwithstanding any legal obligations independent of the Contract the Contractor may have regarding responsibilities for sponsorship, management, and administration of the Plans, the Contractor shall remain the sponsor of the Plans, in accordance with applicable legal requirements.
  - (2) The parties shall exercise their best efforts to reach agreement on the Contractor's responsibilities for sponsorship, management and administration of the plans for which DOE reimburses costs, prior to or at the time of Contract Completion. However, if the parties have not reached agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of Contract Completion, unless and until such agreement is reached, the Contractor shall comply with written direction from the CO regarding the Contractor's responsibilities for continued provision of pension and welfare benefits under the Plans, including but not limited to continued sponsorship of the Plans, in accordance with applicable legal requirements. To the extent that the Contractor incurs costs in implementing direction from the CO, the Contractor's costs will be reimbursed pursuant to applicable Contract provisions.

## **H.10 DOE-H-2028 Labor Relations (Oct 2014) (Revised)**

- (A) The Contractor shall respect the right of employees to be free from discrimination in the workplace, including, but not limited to, discrimination within the meaning of the Age Discrimination in Employment Act of 1967, as amended, and to organize, form, join, or assist labor organizations; bargain collectively through their chosen labor representatives; engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and to refrain from any or all of these activities, consistent with applicable laws.
- (B) Consistent with applicable labor laws and regulations, the Contractor shall recognize and bargain in good faith with the collective bargaining representative(s) of employees performing work that has previously been performed by represented employees and is covered by the scope of this contract.
- (C) The Contractor shall submit its economic bargaining parameters for which DOE reimburses costs to, and obtain the approval of, the CO regarding allowability of the costs, and compliance with the terms and conditions of the Contract, including those for pension and medical benefit costs, prior to the Contractor entering into the collective bargaining process. During the collective bargaining negotiations, the Contractor shall notify, and obtain the approval of, the CO before submitting or agreeing to any collective bargaining proposal that increases or may increase allowable costs above those previously approved in the economic bargaining parameters, or that could involve changes in any pension or other benefit plans, and such other items of special interest to DOE as are identified by the CO. The approval of the economic bargaining parameters by the CO under this paragraph does not waive any other terms and conditions of the Contract.
- (D) The Contractor will seek to maintain harmonious bargaining relationships that reflect a judicious expenditure of public funds, equitable resolution of disputes and effective and efficient bargaining relationships consistent with the requirements of FAR Subpart 22.1, *Basic Labor Policies*, DEAR



Subpart 970.2201-1, *Labor Relations*, and all applicable Federal and state labor relations laws.

- (E) The Contractor shall use its best efforts to ensure that collective bargaining agreements negotiated under this Contract contain provisions designed to assure no disruption in services during the performance of the Contract. All such agreements entered into during the Contract period of performance should, to the extent that the parties to those collective bargaining agreements agree, provide that grievances and disputes involving the interpretation or application of the agreement will be settled without resorting to strike, lockout or other disruption in services. For this purpose, each collective bargaining agreement should provide an effective grievance procedure with arbitration as its final step, unless the parties agree upon some other method of assuring no disruption in services. The Contractor shall include the substance of this subparagraph (E) in any subcontracts.
- (F) In addition to FAR 52.222-1, *Notice to the Government of Labor Disputes*, and other requirements in the contract, the Contractor shall immediately notify the CO or designee of all labor relations issues and matters of interest, including, but not limited to, organizing initiatives, unfair labor practice charges or complaints, work stoppages, picketing, labor arbitrations, National Labor Relations Board charges, legal or judicial proceedings, and settlement agreements and will furnish such additional information as may be required from time to time by the CO.
- (G) The Contractor shall immediately notify the CO or designee of any planned or actual strike or work stoppage involving its employees or employees of a subcontractor.
- (H) The Contractor shall provide the CO or designee a copy of all arbitration decisions issued by an arbitrator within one week of receipt of the decision.
- (I) The Contractor shall provide the CO or designee with a "Report of Settlement" after ratification of a collective bargaining agreement by accessing and inputting the information into the Labor Relations module of DOE's iBenefits reporting system, or its successor system, during the next open quarter. Such information shall include negotiated wages, pension, medical and other benefits costs, and a copy of the collective bargaining agreement and any subsequent modifications.
- (J) The Contractor shall provide to the CO or designee a semi-annual report on grievances for which further judicial or administrative proceedings are anticipated, and all final step grievances. The Contractor shall immediately provide information on all arbitration requests. The reports are due June 30 and December 31, of each year, and should include the following information:
  - (1) List of all final step grievances filed during the previous six-month period and grievances for which further judicial or administrative proceedings are anticipated, together with the dates filed;
  - (2) A brief description of issues regarding each grievance;
  - (3) If settled, the date of settlement, and terms of the settlement. If a denial is made at the final step and the period for requesting arbitration passes, report the matter as closed;
  - (4) If not settled during the six (6) month reporting period, carry the item over to the subsequent six (6) month reporting periods until settlement, request for arbitration, closure, or other proceeding occurs.

## H.11 Workforce Restructuring

- (A) The Contractor shall regularly analyze workforce requirements and develop appropriate workforce transition strategies consistent with DOE policy, as may be revised from time to time, to ensure continued availability of the critical workforce knowledge, skills, and abilities necessary for performance under this Contract.

- (B) Notwithstanding any other provision in this Contract, when the Contractor determines that any reduction of force, including furloughs, is necessary, the Contractor shall notify the CO in writing. The Contractor shall provide information as directed by the CO related to the proposed workforce restructuring activities and to enable compliance with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993, with the Worker Adjustment and Retraining Notification (WARN) Act of 1988, and other applicable statutes, regulations, and DOE policies. The Contractor shall take no further action related to the proposed reduction of force, or furloughs, until receiving direction from the CO. The CO will then either approve or disapprove the Contractor's proposed reduction of force, or if necessary request additional information from the Contractor.
- (C) For workforce reductions, the Contractor must prepare and submit to the CO a specific workforce restructuring plan (Specific Plan), as described below in paragraph (D), if either of the following conditions are met within a rolling 12 month period:
- (1) The Contractor intends to reduce its workforce by 50 or more employees through involuntary separation; or
  - (2) The Contractor intends to reduce its workforce by 100 or more employees, whether through voluntary or involuntary separation actions, or a combination of such actions.
- (D) The Contractor's Specific Plan shall set forth how the Contractor will conduct its workforce restructuring action at the site in a manner that meets DOE policy and be submitted to the CO for approval at least 60 days in advance of the first communication planned to be given to the employees and public. For workforce reductions, the Contractor's Specific Plan shall provide detailed information regarding the Contractor's proposed workforce restructuring activities and set forth its business case for why the restructuring is required, e.g., the Contractor's need to realign the workforce to ensure an appropriate employee skill mix and/or budget concerns.
- The Contractor's plan should set forth the projected number of affected employees and the occupational classifications of the affected employees, the criteria it will use to select employees for termination, and the projected cost of the separation benefits, including severance and Displaced Worker Medical Benefits, and the anticipated cost savings, if any, that will result from the separation program. The models for Contractor Self-Select Voluntary Separation Plan and Involuntary Separation Plan, as well as the General Release and Waiver Forms, are available online at: <http://www.energy.gov/gc/services/technology-transfer-and-procurement/office-assistant-general-counsel-labor-and-pension>. If the Contractor determines it will be necessary to conduct a voluntary separation program likely followed by an involuntary separation, the Contractor may combine the Self-Select Voluntary Separation Plan and the Involuntary Separation Plan into one Specific Plan for submission to the CO.
- (E) All reductions of force shall comply with the Hanford Site Workforce Restructuring Plan, as amended, and the Contractor shall supply workforce restructuring related information and reports as requested by DOE. As noted above in Section H entitled, *Workforce Transition and Employee Hiring Preferences Including through Period of Performance*, the Contractor shall extend displaced employee hiring preference in accordance with the Section I clause, DEAR 952.226-74, *Displaced Employee Hiring Preference*.
- (F) Pay-in-lieu of notice beyond two work weeks requires written advance CO approval. The Contractor shall submit the request to the CO as part of the workforce restructuring package submitted for approval in (B) above, and include the number of days of pay-in-lieu-of-notice requested, above two work weeks, a detailed business justification, and the associated costs.
- (G) The Contractor is encouraged to consider the use of employee waivers and releases. DOE has developed a model waiver and release of claims for both Voluntary and Involuntary Separation Plans.

The forms are available online at the website set forth in (3) above. Any deviation from the models must be approved by the CO.

- (H) The Contractor must perform an adverse impact analysis (also known as a diversity analysis) when the involuntary separation action(s) will affect 50 or more contractor employees within a rolling 12 month period. The analysis shall be submitted to the DOE or National Nuclear Security Administration (NNSA) site counsel, as applicable, prior to notification of employees selected for involuntary separation, and may be used by DOE in determining cost allowability.
- (I) The Contractor shall ensure it does not hire or rehire individuals who volunteered for termination during a Self-Select Voluntary Separation Plan, at any DOE or NNSA site, during the one (1) year period following the separation, except as set forth in the following sentence. If an employee is hired or rehired prior to the one (1) year period, the employee may be required to pay back, to the contractor who provided the severance payment, all or a pro-rata amount of the severance received under the Voluntary Separation Plan.
- (J) Contractor(s) must provide actual and projected workforce reductions on an annual basis, no later than March 15 of each year, as set forth in the iBenefits system (<https://doeibenefits2.energy.gov>), or its successor.
- (K) For furloughs, the Contractor must prepare and submit information as requested by the CO for approval. Furlough requests must be submitted to the CO 60 days in advance of the first communication planned to be given to employees and the public.
- (L) The requirements of Section H entitled, *Workforce Restructuring*, shall apply to any preselected teaming subcontractors on this Contract. Specifically, the Contractor shall include preselected teaming subcontractor data as part of the overall Contractor request submitted to DOE for approval for workforce reductions or furloughs.

## H.12 Labor Standards

- (A) The CO will determine the appropriate labor standards that apply to specific work activities in accordance with the Wage Rate Requirements (Construction) statute (formerly known as the Davis-Bacon Act), the Service Contract Labor Standards (SCLS) statute (formerly known as the Service Contract Act of 1965), or other applicable Federal labor standards law. Prior to the start of any proposed work activities, the Contractor shall request a labor standards determination from the CO for specific work activities by submitting proposed work packages that describe the specific activities to be performed for particular work and other information as necessary for DOE to make a determination regarding the appropriate labor standard(s) for the work or aspects of the work. Once a determination is made and provided to the Contractor, the Contractor shall comply with the determination and shall ensure that appropriate labor standards clauses and requirements are flowed down to and incorporated into any applicable subcontracts. Section J Attachment entitled, *Labor Standards Board Process*, provides further guidance on the Labor Standards Board Process and documents required to be submitted as part of proposed work packages.
- (B) The Contractor shall comply, and shall be responsible for compliance by any subcontractor, with the Wage Rate Requirements (Construction), the SCLS, or other applicable labor standards law. The Contractor shall conduct such payroll and job-site reviews for construction work, including interviews with employees, with such frequency as may be necessary to assure compliance by its subcontractors and as requested or directed by the DOE. When performing work subject to the Wage Rate Requirements (Construction), Contractor shall maintain payroll records for a period of three years from completion of the Contract, for laborers and mechanics performing the work. In accordance with subparagraph (g) of FAR 52.222-41, *Service Contract Labor Standards*, and

subparagraph (b)(4) of FAR 52.222-6, *Construction Wage Rate Requirements*, the Contractor and its subcontractors shall post in a prominent job-site location, the wage determination and, as applicable, Department of Labor Publications WH-1321, *Employee Rights under the Davis-Bacon Act*, and/or WH-1313, *Employee Rights on Government Contracts*.

- (C) For subcontracts determined to be subject to the SCLS, the Contractor will prepare Standard Form 98 (e98), *Notice of Intention to Make a Service Contract and Response Notice*. This form is available on the Department of Labor website at: <http://www.dol.gov/whd/govcontracts/sca/sf98/index.asp>. The form shall be submitted to the CO.
- (D) In addition to any other requirements in the Contract, Contractor shall as soon as possible notify the CO of all labor standards issues, including all complaints regarding incorrect payment of prevailing wages and/or fringe benefits, received from contractor or subcontractor employees; significant labor standards violations, as defined in 29 CFR 5.7; disputes concerning labor standards pursuant to 29 CFR Parts 4, 6, and 8 and as defined in subparagraph (t) of FAR 52.222-41, *Service Contract Labor Standards*; disputed labor standards determinations; Department of Labor investigations; or legal or judicial proceedings related to the labor standards under this Contract or a subcontract. The Contractor shall furnish such additional information as may be required from time to time by the CO.
- (E) The Contractor shall prepare and submit to the CO the Office of Management and Budget (OMB) Control Number: 1910-5165, *Semi-Annual Davis-Bacon Enforcement Report*, by April 21 and October 21 of each year. Form submittal will be administered through the iBenefits system (<https://doeibenefits2.energy.gov>) or its successor system.

## H.13 Workers' Compensation

### 1. Hanford Workers' Compensation:

Pursuant to State of Washington Revised Code (RCW) Title 51, the Washington Industrial Insurance Act (WIIA), DOE is a group self-insurer for purposes of workers' compensation coverage. The Hanford Workers' Compensation Program performs the administration functions for the State of Washington self-insurance requirements. Notwithstanding any other provision in this Contract, the coverage afforded by the workers' compensation statutes shall, for performance of work under this Contract at the Hanford Site, be subject to the following:

- (a) Under the terms of a Memorandum of Understanding with the Washington State Department of Labor and Industries (L&I), DOE has agreed to perform all functions required by self-insurers in the State of Washington.
- (b) The Contractor shall take such action, and only such action, as DOE requests in connection with any accident reports, including assistance in the investigation and disposition of any claims thereunder and, subject to the direction and control of DOE, the conduct of litigation in the Contractor's own name in connection therewith.
- (c) Under RCW 51.32.073, *Compensation—Right to and Amount, Additional payments for prior pensioners—Premium liability of worker and employer for additional payments*, DOE is the self-insurer and is responsible for making quarterly payments to the L&I. In support of this arrangement, the Contractor shall be notified and will be responsible for withholding appropriate employee contributions and forwarding these contributions on a timely basis, plus the employer-matching amount to DOE.
- (d) The workers' compensation program shall operate in partnership with Contractor employee benefits, risk management, and environmental, safety, and health management programs.

The Contractor shall cooperate with DOE for the management and administration of the DOE self-insurance program.

- (e) The Contractor shall be responsible for all predecessor Contractor claims that fall under DOE's self-insurance. The Contractor shall maintain and retain all claim data for information and reporting needs.
- (f) The Contractor shall certify as to the accuracy of the payroll record used by DOE in establishing the self-insurance claims reserves and cooperate with any state audit.
- (g) The Contractor shall provide statutory workers' compensation coverage for staff members performing work under this Contract outside of the State of Washington and not otherwise covered by the State of Washington workers' compensation laws. Further, the Contractor shall be responsible for any statutory workers' compensation coverage, liability, and cost for employees performing work outside the scope of this Contract.
- (h) Time-loss compensation shall be paid to injured workers in accordance with RCW § 51.08.178, *Definitions, "Wages"—Monthly wages as basis of compensation—Computation thereof*, and other applicable requirements. Compensation paid to workers in excess of the amounts required by statute are unallowable costs under this contract.
- (i) Workers' compensation loss income benefit payments, when supplemented by other programs (such as salary continuation), are to be administered so that total benefit payments from all sources shall not exceed 100 percent of the employee's net pay.
- (j) Upon request, the Contractor shall submit to DOE, or other party as designated by DOE, payroll records as required by Washington State Workers' Compensation laws.
- (k) Upon request, the Contractor shall submit to DOE, or other party as designated by DOE, the accident reports required by RCW § 51.28.010, *Notice and Report of Accident—Application for Compensation, Notice of accident—Notification of worker's right—Claim suppression*, or any other documentation requested by DOE pursuant to the WIIA.
- (l) The Contractor shall ensure that all employees receive training and have a clear understanding of the workers' compensation process.
- (m) The Contractor shall develop and maintain a web site with Workers' Compensation information and ensure that the web site is made available to employees within 45 days of the close of transition.
- (n) The Contractor shall provide additional training to employees on the workers' compensation process when a claim is filed. This training shall include, but is not limited to, information regarding company contacts, approvals needed for appointments, time off, documentation requirements, etc.
- (o) The Contractor shall submit ad hoc reports and other information, as required by DOE.
- (p) The Contractor shall provide briefings to DOE, as requested.
- (q) For purposes of workers' compensation, all entities included in the Contractor team arrangement, as defined below, shall be covered by DOE's self-insurance certificate under L&I for workers' compensation:
  - (1) Contractor team arrangement means an arrangement in which –

- (i) Two or more companies form a partnership or joint venture to act as a potential prime Contractor; or
  - (ii) A potential prime Contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program.
  - (2) Any changes to the Contractor team arrangement for purposes of workers' compensation coverage shall be subject to prior approval of the CO.
  - (r) Subcontractors not meeting the Contractor teaming arrangement definition performing work under this Contract on behalf of the Contractor are not covered by the provisions of the Memorandum of Understanding referenced above. The Contractor shall require that any subcontractors not covered by provisions of the Memorandum of Understanding meet the statutory workers' compensation coverage requirements.
2. Rocky Flats Workers' Compensation:
- (a) The Contractor is responsible for (1) the administration, management and settlement of open claims, and (2) claims for incurred but not reported losses at the time of the transfer, under the terms and conditions of the insurance policies and risk financing arrangements listed as follows:
    - (i) Government Rating Plans (Table H-1).

Table H-1. Government Rating Plans

Contractor	Carrier	Policy Number	Policy Term
Dow Chemical	Travelers	20431940	2/26/51-6/30/75
Rockwell International	Travelers	133T8519	7/1/75-12/31/89
EG&G	Liberty Mutual	1-004234-0000	1/1/90-1/1/95
JA Jones	Travelers	199T0407	10/1/87-7/31/95
Swinerton & Walberg	St. Paul Travelers	143T9109	11/30/75-11/30/87
Wackenhut Services	Liberty Mutual	31091482	8/1/90-8/1/94

- (ii) Contractor Controlled Insurance Program (CCIP) (Table H-2).

Table H-2. Contractor Controlled Insurance Program

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

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

These plans shall be managed and administered separately from the workers' compensation process identified in subsection 1 of clause H entitled, *Workers' Compensation Insurance*, so as to preserve the plans' separate and distinct legal identities.

- (c) Rocky Flats Workers' Compensation Insurance Plans Reporting Deliverables. The Contractor shall provide the following Rocky Flats Workers' Compensation Insurance Plans reporting deliverables to the CO and any other reports as required by the CO (Table H-3).

Table H-3. Insurance Plans Reporting Deliverables

Item	Frequency	Electronic Copies	Paper Copies	Recipient
Insurance Company's Annual Premium Adjustment for the Government Rating Plan	Annual	1	1	CO
Claims Reserve Status Report for CCIP	Annual	1	1	CO
Review of Cost Containment Strategies and Results	Annual	1	1	CO
CCIP = Contractor Controlled Insurance Program		CO = Contracting Officer		

## H.14 DOE-H-2073 Risk Management and Insurance Programs (Dec 2014)

Contractor officials shall ensure that the requirements set forth below are applied in the establishment and administration of DOE-funded prime cost reimbursement contracts for management and operation of DOE facilities and other designated long-lived onsite contracts for which the contractor has established separate operating business units.

### (1) Basic Requirements

- (a) Maintain commercial insurance or a self-insured program, (i.e., any insurance policy or coverage that protects the Contractor from the risk of legal liability for adverse actions associated with its operation, including malpractice, injury, or negligence) as required by the terms of the Contract. Types of insurance include automobile, general liability, and other third-party liability insurance. Other forms of coverage for which the Contractor seeks reimbursement must be justified as necessary in the operation of the Department facility and/or the performance of the Contract, and approved by the DOE in advance of acquiring such insurance.
- (b) Contractors shall not purchase insurance to cover public liability for nuclear incidents without DOE authorization (see DEAR 970.5070, *Indemnification*, and DEAR 950.70, *Nuclear Indemnification of DOE Contractors*).
- (c) Demonstrate that insurance programs and costs comply with the cost limitations and exclusions at FAR 28.307, *Insurance Under Cost Reimbursement Contracts*, FAR 31.205-19, *Insurance and Indemnification*, DEAR 952.231-71, *Insurance - Litigation and Claims*.
- (d) Demonstrate that the insurance program is being conducted in the Government's best interest and at reasonable cost.
- (e) The Contractor shall submit copies of all insurance policies or insurance arrangements to the CO no later than 30 days after the purchase date.



- (f) When purchasing commercial insurance, the Contractor shall use a competitive process to ensure costs are reasonable.
- (g) Ensure self-insurance programs include the following elements:
  - (1) Compliance with criteria set forth in FAR 28.308, *Self-Insurance*. Approval of self-insurance is predicated upon submission of verifiable proof that the self-insurance charge does not exceed the cost of purchased insurance. This includes hybrid plans (i.e., commercially purchased insurance with self-insured retention [SIR], such as large deductible, matching deductible, retrospective rating cash flow plans, and other plans where insurance reserves are under the control of the insured). The SIR components of such plans are self-insurance, and are subject to the approval and submission requirements of FAR 28.308, as applicable.
  - (2) Demonstration of full compliance with applicable state and federal regulations and related professional administration necessary for participation in alternative insurance programs.
  - (3) Safeguards to ensure third party claims and claims settlements are processed in accordance with approved procedures.
  - (4) Accounting of self-insurance charges.
  - (5) Accrual of self-insurance reserve. The CO's approval is required and predicated upon the following:
    - (a) The claims reserve shall be held in a special fund or interest bearing account.
    - (b) Submission of a formal written statement to the CO stating that use of the reserve is exclusively for the payment of insurance claims and losses, and that DOE shall receive its equitable share of any excess funds or reserve.
    - (c) Annual accounting and justification as to the reasonableness of the claims reserve submitted for CO review.
    - (d) Claim reserves, not payable within the year the loss occurred, are discounted to present value based on the prevailing Treasury rate.
  - (h) Should the Contractor utilize a Letter of Credit or other financial instrument to guarantee self-insurance retention, any cost for interest paid by the contractor relating to the instruments will be unallowable and omitted from charges to the DOE Contract.
  - (i) Comply with the CO's written direction for ensuring the continuation of insurance coverage and settlement of incurred and/or open claims and payments of premiums owed or owing to the insurer for prior DOE contractors.
- (2) Plan Experience Reporting. The Contractor shall:
  - (a) Provide the CO with annual experience reports for each type of insurance (e.g., automobile and general liability), listing the following for each category:
    - (1) The amount paid for each claim.
    - (2) The amount reserved for each claim.
    - (3) The direct expenses related to each claim.



- (4) A summary for the plan year showing total number of claims.
  - (5) A total amount for claims paid.
  - (6) A total amount reserved for claims.
  - (7) The total amount of direct expenses.
  - (b) Provide the CO with an annual report of insurance costs and/or self-insurance charges. When applicable, separately identify total policy expenses (e.g., commissions, premiums, and costs for claims servicing) and major claims during the year, including those expected to become major claims (e.g., those claims valued at \$100,000 or greater).
  - (c) Provide additional claim financial experience data, as may be requested, on a case-by-case basis.
- (3) Terminating Operations. The Contractor shall:
- (a) Ensure protection of the Government's interest through proper recording of cancellation credits due to policy terminations and/or experience rating.
  - (b) Identify and provide continuing insurance policy administration and management requirements to a successor, other DOE contractor, or as specified by the CO.
  - (c) Reach agreement with DOE on the handling and settlement of self-insurance claims incurred but not reported at the time of contract termination; otherwise, the Contractor shall retain this liability.
- (4) Successor Contractor or Insurance Policy Cancellation. The Contractor shall:
- (a) Obtain the written approval of the CO for any change in program direction; and
  - (b) Ensure insurance coverage replacement is maintained as required and/or approved by the CO.

## H.15 Implementation of the Hanford Site Stabilization Agreement

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

- (a) This Clause applies to employees performing work under Contracts (or subcontracts) administered by DOE, which are subject to the *Construction Wage Rate Requirements* statute (formerly known as and referred to in this Clause as the *Davis-Bacon Act*), in the classifications set forth in the HSSA for work performed at the Hanford Site.
- (b) Contractors and subcontractors at all tiers who are parties to an agreement(s) for construction work with a local union having jurisdiction over DOE construction work performed at the Hanford Site, or who are parties to a national labor agreement for such construction work, shall become signatory to the HSSA and shall abide by all of its provisions, including its Appendix A. Subcontractors at all tiers who have subcontracts with a signatory Contractor or subcontractor shall become signatory to the HSSA and shall abide by all of its provisions, including its Appendix A.
- (c) Contractors and subcontractors at all tiers, who are not signatory to the HSSA and who are not required under paragraph (b) above to become signatory to the HSSA, shall pay not less and no more than the wages, fringe benefits, and other employee compensation set forth in Appendix A thereto,

and shall adhere, except as otherwise directed by the CO, to the following provisions of the Agreement:

- (1) Article VII Employment (Section 2 only);
  - (2) Article XII Non-Signatory Contractor Requirements;
  - (3) Article XIII Hours of Work, Shifts, and Overtime;
  - (4) Article XIV Holidays;
  - (5) Article XV Wage Scales and Fringe Benefits (Sections 1 and 2 only);
  - (6) Article XVII Payment of Wages-Checking In and Out (Section 3 only);
  - (7) Article XX General Working Conditions; and
  - (8) Article XXI Safety and Health.
- (d) The Contractor agrees to make no contributions in connection with this Contract to Industry Promotion Funds, or similar funds, except with prior approval of the CO.
- (e) The obligation of the Contractor and its subcontractors to pay fringe benefits shall be discharged by making payments required by this Contract in accordance with the provisions of the amendments to the *Davis-Bacon Act* contained in the Act of July 2, 1964 (Public Law 88-349-78 Statutes 238-239), and U.S. Department of Labor regulations in implementation thereof (29 CFR, *Labor*, Parts 1, *Procedures for Predetermination of Wage Rates*, and 5, *Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction*).
- (f) The CO may direct the Contractor to pay amounts for wages, fringe benefits, and other employee compensation if the HSSA, including its Appendix A, is modified by the involved parties.
- (g) In the event of failure to comply with paragraphs (c), (d), (e), (f), and (g), or failure to perform any of the obligations imposed upon the Contractor and its subcontractors hereunder, the CO may withhold any payments due to the Contractor and may terminate the Contract for default.
- (h) The rights and remedies of the Government provided in this Clause shall not be exclusive and are in addition to any other rights and remedies of the Government provided by law or under this Contract.
- (i) The requirements of this Clause are in addition to, and shall not relieve the Contractor of, any obligation imposed by other Clauses of this Contract, including Section I clauses, FAR 52.222-4, *Contract Work Hours and Safety Standards – Overtime Compensation*; FAR 52.222-6, *Construction Wage Rate Requirements* (formerly known as the Davis-Bacon Act); FAR 52.222-7, *Withholding of Funds*; FAR 52.222-8, *Payrolls and Basic Records*; FAR 52.222-10, *Compliance with Copeland Act Requirements*; and FAR 52.222-12, *Contract Termination – Debarment*.
- (j) The Contractor agrees to maintain its bid or proposal records showing rates and amounts used for computing wages and other compensation, and its payroll and personnel records during the course of work subject to this Clause, and to preserve such records for a period of three (3) years thereafter, for all employees performing such work. Such records will contain the name and address of each such employee, his/her correct classification, rate of pay, daily and weekly number of hours worked, and dates and hours of the day within which work was performed, deductions made, and amounts for wages and other compensation covered by paragraphs (c), (d), (e), (f), and (g) hereof. The Contractor agrees to make these records available for inspection by the CO and will permit him/her to interview employees during working hours on the job.
- (k) The Contractor agrees to insert the provisions of this Clause, including this paragraph (k), in all subcontracts for the performance of work subject to the *Davis-Bacon Act*.

A copy of the *Hanford Site Stabilization Agreement* is located at:  
<http://www.hanfordvitplant.com/hanford-site-stabilization-agreement>.

## Business System Clauses

### H.16 DOE-H-2022 Contractor Business Systems (Oct 2014)

(a) Definitions. As used in this clause:

“Acceptable contractor business systems” means contractor business systems that comply with the terms and conditions of the applicable business system clauses listed in the definition of “contractor business systems” in this clause.

Contractor business systems means:

- (1) “Accounting system”, if this contract includes the Section H clause entitled, *Accounting System Administration*;
- (2) “Earned value management system”, if this contract includes the Section H clause entitled, *Earned Value Management System*;
- (3) Estimating system, if this contract includes the Section H clause entitled, *Cost Estimating System Requirements*;
- (4) “Property management system”, if this contract includes the Section H clause entitled, *Contractor Property Management System Administration*; and
- (5) “Purchasing system”, if this contract includes the Section H clause entitled, *Contractor Purchasing System Administration*.

Significant deficiency, in the case of a Contractor business system, means a shortcoming in the system that materially affects the ability of officials of the Department of Energy to rely upon information produced by the system that is needed for management purposes.

(b) General. The Contractor shall establish and maintain acceptable business systems in accordance with the terms and conditions of this Contract. If the Contractor plans to adopt any existing business system from the previous Contractor, the Contractor is responsible for the system and shall comply with the system requirements and criteria required in that specific business system clause.

(c) Significant deficiencies.

- (1) The Contractor shall respond, in writing, within 30 days to an initial determination that there are one or more significant deficiencies in one or more of the Contractor's business systems.
- (2) The CO will evaluate the Contractor's response and notify the Contractor, in writing, of the final determination as to whether the Contractor's business system contains significant deficiencies. If the CO determines that the Contractor's business system contains significant deficiencies, the final determination will include a notice to withhold payments.

(d) Withholding payments.

- (1) If the CO issues the final determination with a notice to withhold payments for significant deficiencies in a Contractor business system required under this contract, the CO will direct the Contractor, in writing, to withhold five (5) percent from its invoices until the CO has

determined that the Contractor has corrected all significant deficiencies as directed by the CO's final determination. The Contractor shall, within 45 days of receipt of the notice, either:

- (i) Correct the deficiencies; or
  - (ii) Submit an acceptable corrective action plan showing milestones and actions to eliminate the deficiencies. The plan shall contain:
    - (A) Root cause(s) identification of the problem(s);
    - (B) The proposed corrective action(s) to address the root cause(s);
    - (C) A schedule for implementation; and
    - (D) The name of the person responsible for the implementation.
- (2) If the Contractor submits an acceptable corrective action plan within 45 days of receipt of a notice of the CO's intent to withhold payments, and the CO, in consultation with the auditor or functional specialist, determines that the Contractor is effectively implementing such plan, the CO will direct the Contractor, in writing, to reduce the percentage withheld on invoices to two (2) percent until the CO determines the Contractor has corrected all significant deficiencies as directed by the CO's final determination. However, if at any time, the CO determines that the Contractor has failed to follow the accepted corrective action plan, the CO will increase withholding and direct the Contractor, in writing, to increase the percentage withheld on invoices to the percentage initially withheld, until the CO determines that the Contractor has corrected all significant deficiencies as directed by the CO's final determination.
- (3) Payment withhold percentage limits.
- (i) The total percentage of payments withheld on amounts due on this Contract shall not exceed:
    - (A) Five (5) percent for one or more significant deficiencies in any single contractor business system; and
    - (B) Ten (10) percent for significant deficiencies in multiple contractor business systems.
  - (ii) If this Contract contains pre-existing withholds, and the application of any subsequent payment withholds will cause withholding under this clause to exceed the payment withhold percentage limits in paragraph (d)(3)(i) of this clause, the CO will reduce the payment withhold percentage in the final determination to an amount that will not exceed the payment withhold percentage limits.
- (4) For the purpose of this clause, payment means invoicing for any of the following payments authorized under this contract:
- (i) Interim payments under:
    - (A) Cost-reimbursement contracts;
    - (B) Incentive type contracts;
    - (C) Time-and-materials contracts; or
    - (D) Labor-hour contracts.
  - (ii) Progress payments to include fixed-price contracts.

- (5) Performance-based payments to include fixed-price contracts. Payment withholding shall not apply to payments on fixed-price line items where performance is complete and the items were accepted by the Government.
  - (6) The withholding of any amount or subsequent payment to the Contractor shall not be construed as a waiver of any rights or remedies the Government has under this Contract.
  - (7) Notwithstanding the provisions of any clause in this Contract providing for interim, partial, or other payment withholding on any basis, the CO may withhold payment in accordance with the provisions of this clause.
  - (8) The payment withholding authorized in this clause is not subject to the interest-penalty provisions of the *Prompt Payment Act*.
- (e) Correction of deficiencies.
- (1) The Contractor shall notify the CO, in writing, when the Contractor has corrected the business system's deficiencies.
  - (2) Once the Contractor has notified the CO that all deficiencies have been corrected, the CO will take one of the following actions:
    - (i) If the CO determines that the Contractor has corrected all significant deficiencies as directed by the CO's final determination, the CO will direct the Contractor, in writing, to discontinue the payment withholding from invoices under this Contract associated with the CO's final determination, and authorize the Contractor to bill for any monies previously withheld that are not also being withheld due to other significant deficiencies. Any payment withholding under this Contract due to other significant deficiencies, will remain in effect until the CO determines that those significant deficiencies are corrected.
    - (ii) If the CO determines that the Contractor still has significant deficiencies, the Contractor shall continue withholding amounts from its invoices in accordance with paragraph (d) of this clause, and not invoice for any monies previously withheld.
    - (iii) If the CO determines, based on the evidence submitted by the Contractor, that there is a reasonable expectation that the corrective actions have been implemented and are expected to correct the significant deficiencies, the CO will discontinue withholding payments, and release any payments previously withheld directly related to the significant deficiencies identified in the Contractor notification, and direct the Contractor, in writing, to discontinue the payment withholding from invoices associated with the CO's final determination, and authorize the Contractor to bill for any monies previously withheld.
    - (iv) If, within 90 days of receipt of the Contractor notification that the Contractor has corrected the significant deficiencies, the CO has not made a determination in accordance with paragraphs (e)(2)(i), (ii), or (iii) of this clause, the CO will direct the Contractor, in writing, to reduce the payment withholding from invoices directly related to the significant deficiencies identified in the Contractor notification by a specified percentage that is at least 50 percent, but not authorize the Contractor to bill for any monies previously withheld until the CO makes a determination in accordance with paragraphs (e)(2)(i), (ii), or (iii) of this clause.
    - (v) At any time after the CO directs the Contractor to reduce or discontinue the payment withholding from invoices under this Contract, if the CO determines that the Contractor has failed to correct the significant deficiencies identified in the Contractor's notification, the CO

will reinstate or increase withholding and direct the Contractor, in writing, to reinstate or increase the percentage withheld on invoices to the percentage initially withheld, until the CO determines that the Contractor has corrected all significant deficiencies as directed by the CO final determination.

## **H.17 Business Management Information and Internal Controls Requirements**

The Contractor shall be responsible for maintaining, as an integral part of its organization, effective systems of management controls for both administrative and programmatic functions. Management controls comprise the plan of organization, methods, and procedures adopted by management to reasonably ensure that: the mission and functions assigned to the Contractor are properly executed; efficient and effective operations are promoted including consideration of outsourcing of functions; resources are safeguarded against waste, loss, mismanagement, unauthorized use, or misappropriation; all encumbrances and costs that are incurred under the contract and fees that are earned are in compliance with applicable clauses and other current terms, conditions, and intended purposes; all collections accruing to the Contractor in connection with the work under this contract, expenditures, and all other transactions and assets are properly recorded, managed, and reported; and financial, statistical, and other reports necessary to maintain accountability and managerial control are accurate, reliable, and timely.

The systems of controls employed by the Contractor shall be documented and satisfactory to the Contracting Officer.

Such systems shall be an integral part of the Contractor's management functions, including defining specific roles and responsibilities for each level of management, and holding employees accountable for the adequacy of the management systems and controls in their areas of assigned responsibility.

The Contractor shall, as part of the internal audit program required elsewhere in this contract, periodically review the management systems and controls employed in programs and administrative areas to ensure that they are adequate to provide reasonable assurance that the objectives of the systems are being accomplished and that these systems and controls are working effectively. Annually, or at other intervals directed by the Contracting Officer, the Contractor shall supply to the Contracting Officer copies of the reports reflecting the status of recommendations resulting from management audits performed by its internal audit activity and any other audit organization. This requirement may be satisfied in part by the reports required under paragraph (i) of 48 CFR 970.5232-3, Accounts, records, and inspection.

The Contractor shall operate and ensure business and management systems accurately collect and report information which:

- (1) Conforms to Generally Accepted Accounting Principles, Federal Financial Accounting Standards, Cost Accounting Standards, and DOE requirements;
- (2) Provides accurate, reliable, and auditable financial and statistical data on a timely basis;
- (3) Ensures accountability for all assets;
- (4) Supports financial planning and budget formulation, validation, execution, and the recasting or changing of DOE funding or task codes such as budget and reporting classification numbers, program task numbers, and local projects/tasks;
- (5) Restricts the movement of funds between project baseline summaries (PBS) consistent with Congressional appropriation language;

- (6) Notifies DOE as soon as possible when potential reprogramming actions are required (e.g., movement of funds between PBSs);
- (7) Reports financial information for subcontractors as required; and
- (8) Provides all necessary financial reports, which shall include accumulating and reporting indirect and support costs by function.

The Contractor shall provide the following reports, and any additional data or reports at DOE direction, including requests from the DOE Chief Financial Officer and Office and Environmental Management (EM):

- (1) Annual Estimated Property Fire Valuation Report;
- (2) Monthly Contract Funds Status Report (CFSR);
- (3) Semi-annual Property Reconciliations and Data;
- (4) Annual Improper Payment Risk Assessment, Testing, and Report;
- (5) Monthly Reconciliations between Invoice Summaries and General Ledger Accounting Excel<sup>®</sup> Transaction Data;
- (6) Fiscal Year-End Requirements and Beginning Fiscal Year Budget Planning Requirements;
- (7) Annual Institutional Cost Report;
- (8) Quarterly International Transactions and Foreign Currency Report;
- (9) Annual Internal Audit plans with audits consistent with Institute of Internal Audit (IIA) audit standards;
- (10) Annual Subcontract Audit plans with audits consistent with IIA and/or Generally Accepted Government Auditing Standards (GAGAS) audit standards;
- (11) Quarterly Labor Timekeeping data in Excel<sup>®</sup> format;
- (12) Quarterly P-card transaction reports in Excel<sup>®</sup> format;
- (13) Quarterly Unallowable Cost reports showing costs taken off contract in Excel<sup>®</sup> format along with invoice credit to the Government directly following;
- (14) Monthly Accruals and Supporting Detail;
- (15) Quarterly Maintenance of Facilities and Equipment Reports;
- (16) Reports and Information Supporting 3rd and 4th Quarter DOE Financial Statement Disclosures;
- (17) Requests for Information Supporting OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control;
- (18) Annual Management Representation Letter, as required by GAGAS;
- (19) Semi-annual Workers' Compensation Analysis Support;
- (20) Monthly Capitalized Property Reports including Software Capitalization;

- (21) Monthly General Ledger Summary Reports with Beginning, Period Activity, and Ending Balances by Account in Excel<sup>®</sup> format;
- (22) Annual Inventory Reports and Reconciliations;
- (23) Annual Technology Transfer Reports;
- (24) Overtime reports and plans as required and requested in Excel<sup>®</sup> format;
- (25) Conference Management Reports; and
- (26) Quarterly Subcontract report in Excel<sup>®</sup>.

## **H.18 Subcontractor Timekeeping Records Signature Requirement**

The Contractor shall obtain subcontractor timecards for hourly employees for non-fixed-price and cost reimbursable subcontracts and non-fixed-price and cost reimbursable sub tiers. Cost reimbursable type subcontracts are defined by FAR 16.301 and non-fixed-price subcontracts are set forth in FAR 16.600 and includes Time-and-Materials and Labor-hour subcontracts. The subcontract and sub tier timecards for these subcontract types must be obtained by the Contractor prior to the Contractor's payment of the subcontractor costs to the subcontractors and prior to billing DOE for these costs. The timecards must reflect actual hours worked. The subcontractor timecards must be signed by the subcontractor employee and certified by the subcontractor employee's supervisor prior to the Contractor obtaining them. The subcontractors and sub tiers performing work under cost-reimbursable and non-fixed-price subcontracts shall maintain adequate timekeeping procedures, controls, and processes for billing Government work. The Contractor shall, at least once every three (3) years, conduct a labor audit of cost reimbursable subcontractors and sub tiers. The audit shall be conducted to either Institute of Internal Auditors standards (if conducted internally) or GAGAS (if conducted externally), unmodified. This clause shall be flowed down to all cost reimbursable type and non-fixed price subcontracts and sub tiers.

## **H.19 DOE-H-2023 Cost Estimating System Requirements (Oct 2014) (Revised)**

### **(a) Definitions.**

Acceptable estimating system means an estimating system that complies with the system criteria in paragraph (d) of this clause, and provides for a system that:

- (1) Is maintained, reliable, and consistently applied;
- (2) Produces verifiable, supportable, documented, and timely cost estimates that are an acceptable basis for negotiation of fair and reasonable prices;
- (3) Is consistent with and integrated with the Contractor's related management systems; and
- (4) Is subject to applicable financial control systems.

Estimating system means the Contractor's policies, procedures, and practices for budgeting and planning controls, and generating estimates of costs and other data included in proposals submitted to customers in the expectation of receiving contract awards or contract modifications. Estimating system includes the Contractor's:

- (1) Organizational structure;
- (2) Established lines of authority, duties, and responsibilities;



- (3) Internal controls and managerial reviews;
- (4) Flow of work, coordination, and communication; and
- (5) Budgeting, planning, estimating methods, techniques, accumulation of historical costs, and other analyses used to generate cost estimates.

Significant deficiency means a shortcoming in the system that materially affects the ability of officials of the DOE to rely upon information produced by the system that is needed for management purposes.

(b) General. The Contractor shall establish, maintain, and comply with an acceptable estimating system.

(c) Applicability. Paragraphs (d) and (e) of this clause apply if the Contractor is a large business to include a Contractor teaming arrangement, as defined at 48 CFR 9.601(1), performing a Contract in support of a Capital Asset Project (other than a management and operating contract as described at 48 CFR 917.6), as prescribed in CRD 413.3B; or a non-capital asset project and either:

- (1) The total prime contract value exceeds \$50 million, including options; or
- (2) The Contractor was notified, in writing, by the CO that paragraphs (d) and (e) of this clause apply.

(d) System requirements.

(1) The Contractor shall disclose its estimating system to the CO, in writing. If the Contractor wishes the Government to protect the information as privileged or confidential, the Contractor must mark the documents with the appropriate legends before submission. If the Contractor plans to adopt the existing system from the previous contractor, the Contractor is responsible for the system and shall comply with the system requirements required in this clause.

(2) An estimating system disclosure is acceptable when the Contractor has provided the CO with documentation no later than 60 days after NTP that:

- (i) Accurately describes those policies, procedures, and practices that the Contractor currently uses in preparing cost proposals; and
- (ii) Provides sufficient detail for the Government to reasonably make an informed judgment regarding the acceptability of the Contractor's estimating practices.

(3) The Contractor shall:

- (i) Comply with its disclosed estimating system; and
- (ii) Disclose significant changes to the cost estimating system to the CO on a timely basis.

(4) The Contractor's estimating system shall provide for the use of appropriate source data, utilize sound estimating techniques and good judgment, maintain a consistent approach, and adhere to established policies and procedures. An acceptable estimating system shall accomplish the following functions:

- (i) Establish clear responsibility for preparation, review, and approval of cost estimates and budgets.

- (ii) Provide a written description of the organization and duties of the personnel responsible for preparing, reviewing, and approving cost estimates and budgets.
  - (iii) Ensure that relevant personnel have sufficient training, experience, and guidance to perform estimating and budgeting tasks in accordance with the Contractor's established procedures.
  - (iv) Identify and document the sources of data and the estimating methods and rationale used in developing cost estimates and budgets.
  - (v) Provide for adequate supervision throughout the estimating and budgeting process.
  - (vi) Provide for consistent application of estimating and budgeting techniques.
  - (vii) Provide for detection and timely correction of errors.
  - (viii) Protect against cost duplication and omissions.
  - (ix) Provide for the use of historical experience, including historical vendor pricing information, where appropriate.
  - (x) Require use of appropriate analytical methods.
  - (xi) Integrate information available from other management systems.
  - (xii) Require management review, including verification of compliance with the company's estimating and budgeting policies, procedures, and practices.
  - (xiii) Provide for internal review of, and accountability for, the acceptability of the estimating system, including the budgetary data supporting indirect cost estimates and comparisons of projected results to actual results, and an analysis of any differences.
  - (xiv) Provide procedures to update cost estimates and notify the CO in a timely manner.
  - (xv) Provide procedures that ensure subcontract prices are reasonable based on a documented review and analysis provided with the prime proposal, when practicable.
  - (xvi) Provide estimating and budgeting practices that consistently generate sound proposals that are compliant with the provisions of the solicitation and are adequate to serve as a basis to reach a fair and reasonable price.
  - (xvii) Have an adequate system description, including policies, procedures, and estimating and budgeting practices, that comply with the FAR (48 CFR chapter 1) and DEAR (48 CFR chapter 9).
- (e) Significant deficiencies.
- (1) The CO will provide an initial determination to the Contractor, in writing, of any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.

- (2) The Contractor shall respond within 30 days to a written initial determination from the CO that identifies significant deficiencies in the Contractor's estimating system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing. In the event the Contractor did not respond in writing to the initial determination within the response time, this lack of response shall indicate that the Contractor agrees with the initial determination.
- (3) The CO will evaluate the Contractor's response or the Contractor's lack of response and notify the Contractor, in writing, of the CO's final determination concerning:
  - (i) Remaining significant deficiencies;
  - (ii) The adequacy of any proposed or completed corrective action; and
  - (iii) System disapproval, if the CO determines that one or more significant deficiencies remain.
- (f) If the Contractor receives the CO's final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the significant deficiencies.
- (g) Withholding payments. If the CO makes a final determination to disapprove the Contractor's estimating system, and the contract includes the Section H clause entitled, *Contractor Business Systems*, the CO will withhold payments in accordance with that clause.

## H.20 DOE-H-2024 Earned Value Management System (Oct 2014)

- (a) Definitions. As used in this clause-

"Acceptable earned value management system" means an earned value management system that generally complies with system criteria in paragraph (b) of this clause.

"Earned value management system" means an earned value management system that complies with the earned value management system guidelines in the Electronic Industries Alliance (EIA)-748.

"Over Target Baseline" means an overrun to the Contract Budget Base (CBB) which is formally incorporated into the Performance Measurement Baseline (PMB) for management purposes.

"Over Target Schedule" means the term used to describe a condition where a baseline schedule is time-phased beyond the contract completion date.

"Significant deficiency" means a shortcoming in the system that materially affects the ability of officials of the Department of Energy to rely upon information produced by the system that is needed for management purposes.

- (b) System criteria. In the performance of this contract, the Contractor shall use:

- (1) An Earned Value Management System (EVMS) that complies with the EVMS guidelines in the EIA Standard 748, EVMS; and
- (2) Management procedures.
  - (i) Management procedures provide for generation of timely, reliable, and verifiable information for DOE Integrated Program Management Report (IPMR) data item of this contract.

- (ii) The Contractor shall use Department of Defense's Data Item Description (DID) IPMR, DI-MGMT-81861, (current version at time of award), which contains data for measuring cost and schedule performance for this DOE contract. The report's structure has seven formats that contain the content and relationships required for electronic submissions. DOE does not use section 2.8, *Applicability of DI-MGMT-81861*, for electronic data submissions; in lieu of this section, the Contractor shall use Project Assessment and Reporting System (PARS II). Data shall be submitted by the Contractor electronically by uploading the data into the PARS II in accordance with the "Contractor Project Performance Upload Requirements" document maintained by the DOE Office of Acquisition Management (OAM). All requested data shall be submitted timely and accurately, and shall be current as of the close of the previous month's accounting period.
- (c) If the Contractor has one or more DOE contracts valued at \$20,000,000 or greater per contract for a total contract value of \$50,000,000 or more which support DOE Capital Asset Projects, the Contractor shall use an EVMS that has been determined to be acceptable by DOE. If, at the time of award, the Contractor's EVMS has not been determined by DOE to be in compliance with the EVMS guidelines as stated in paragraph (b)(1) of this clause, the Contractor shall apply its current system to the contract and shall take necessary actions to meet the milestones in the Contractor's EVMS plan.
- (d) If this contract has a total value of less than \$50,000,000 and does not meet the condition described at (c) above, the Government will not make a formal determination that the Contractor's EVMS complies with the EVMS guidelines in EIA-748 with respect to the contract. The use of the Contractor's EVMS for this contract does not imply a Government determination of the Contractor's compliance with the EVMS guidelines in EIA-748 for application to future contracts.
- (e) The Contractor shall submit notification of all proposed changes to the EVMS procedures and the impact of those changes to DOE. If this contractor has one or more contracts in support of DOE Capital Asset Projects and the total contract values are \$20,000,000 or greater per contract for total contract values of \$50,000,000 or more, unless a waiver is granted by DOE, any EVMS changes proposed by the Contractor require approval of DOE prior to implementation. DOE will advise the Contractor of the acceptability of such changes as soon as practicable (generally within 30 calendar days) after receipt of the Contractor's notice of proposed changes. If DOE waives the advance approval requirements, the Contractor shall disclose EVMS changes to DOE at least 14 calendar days prior to the effective date of implementation.
- (f) Integrated baseline reviews.
  - (1) The purpose of the integrated baseline reviews (IBR) is to verify the technical content and the realism of the related performance budgets, resources, and schedules. It should provide a mutual understanding of the inherent risks in the Offerors'/contractors' performance plans and the underlying management control systems, and it should formulate a plan to handle these risks. DOE and the Contractor will use the IBR process described in the National Defense Industrial Association Program Management Systems Committee Integrated Baseline Review (NDIA PMSC IBR) Guide (current version at time of award).
  - (2) The Government will schedule IBRs as early as practicable, and the review process will be conducted not later than 180 calendar days after:
    - (i) Contract award;
    - (ii) The exercise of significant contract options; and
    - (iii) The incorporation of major modifications.

During such reviews, the Government and the Contractor will jointly assess the Contractor's baseline to be used for performance measurement to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks.

- (g) The Contractor shall provide access to all pertinent records and data requested by the CO or duly authorized representative as necessary to permit Government surveillance to ensure that the EVMS complies, and continues to comply, with the performance criteria referenced in paragraph (b) of this clause.
- (h) When indicated by contract performance, the Contractor shall submit a request for approval to initiate an over-target baseline or over-target schedule to the CO. The request shall include a top-level projection of cost and/or schedule growth, a determination of whether or not performance variances will be retained, and a schedule of implementation for the rebase lining. The Government will acknowledge receipt of the request in a timely manner (generally within 30 calendar days).
- (i) Significant deficiencies.
  - (1) The CO will provide an initial determination to the Contractor, in writing, on any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.
  - (2) The Contractor shall respond within 30 days to a written initial determination from the CO that identifies significant deficiencies in the Contractor's EVMS. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing. In the event the Contractor did not respond in writing to the initial determination within the response time, this lack of response shall indicate that the Contractor agrees with the initial determination.
  - (3) The CO will evaluate the Contractor's response or the Contractor's lack of response and notify the Contractor, in writing, of the CO's final determination concerning:
    - (i) Remaining significant deficiencies;
    - (ii) The adequacy of any proposed or completed corrective action;
    - (iii) System noncompliance, when the Contractor's existing EVMS fails to comply with the earned value management system guidelines in the EIA-748; and
    - (iv) System disapproval, if initial EVMS validation is not successfully completed within the timeframe approved by the CO, or if the CO determines that the Contractor's EVMS contains one or more significant deficiencies in high-risk guidelines in EIA-748 standards (guidelines 1, 3, 6, 7, 8, 9, 10, 12, 16, 21, 23, 26, 27, 28, 30, or 32). When the CO determines that the existing EVMS contains one or more significant deficiencies in one or more of the remaining 16 guidelines in EIA-748 standards, the CO will use discretion to disapprove the system based on input received from the OAM or the DOE Program Office, herein referred to as the functional specialists.
  - (4) If the Contractor receives the CO's final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the significant deficiencies.
- (j) Withholding payments. If the CO makes a final determination to disapprove the Contractor's EVMS, and the contract includes the Section H clause entitled, *Contractor Business Systems*, the CO will withhold payments in accordance with that clause.

- (k) With the exception of paragraphs (i) and (j) of this clause, for contracts valued at \$20 million or more requiring EVMS, the contractor shall flow down appropriate EVMS requirements to its subcontractors in order for the contractor to meet all requirements of this clause.

(CO to insert names of subcontractors [or subcontracted effort if subcontractors have not been selected] designated for application of the EVMS requirements of this clause).

- (l) Adopting previous contractor's previously-certified earned value management (EVM) process. If the Contractor plans to adopt the existing system from the previous Contractor or DOE-site, the Contractor is responsible for the system and shall comply with the system requirements required in this clause. The existing system shall utilize the same DOE-approved EVM Process Description and the same EVM training as the previous system. The Contractor shall:

- (1) Identify the corporate entity which owns the certified EVM process and provide the certification documentation;
- (2) Obtain DOE prior approval or Advanced Agreement including DOE approval of process changes and joint surveillance;
- (3) Be responsible for compliance with the system criteria required in paragraph (b) of this clause; and
- (4) Be responsible for correcting any significant deficiencies previously identified to the previous contractor by the CO in accordance with paragraph (i) of this clause. Within 45 days after receiving a copy of the previous contractor's final determination, the Contractor shall follow paragraph (i)(4) and either correct any significant deficiencies or submit an acceptable corrective action plan. The CO, or designee, will provide a copy of the previous Contractor's final determination.

## **H.21 DOE-H-2025 Accounting System Administration (Oct 2014)**

- (a) Definitions. As used in this clause:

- (1) Acceptable accounting system means a system that complies with the system criteria in paragraph (c) of this clause, to provide reasonable assurance that:
  - (i) Applicable laws and regulations are complied with;
  - (ii) The accounting system and cost data are reliable;
  - (iii) Risk of misallocations and mischarges are minimized; and
  - (iv) Contract allocations and charges are consistent with billing procedures.
- (2) Accounting system means the Contractor's system or systems for accounting methods, procedures, and controls established to gather, record, classify, analyze, summarize, interpret, and present accurate and timely financial data for reporting in compliance with applicable laws, regulations, and management decisions, and may include subsystems for specific areas such as indirect and other direct costs, compensation, billing, labor, and general information technology.
- (3) Significant deficiency means a shortcoming in the system that materially affects the ability of officials of DOE to rely upon information produced by the system that is needed for management purposes.

- (b) General.

The Contractor shall establish and maintain an acceptable accounting system. If the Contractor plans to adopt the existing system from the previous Contractor, the Contractor is responsible for the system and shall comply with the system criteria required in this clause. The Contractor shall provide in writing to the CO documentation that its accounting system meets the system criteria in paragraph (c) of this clause no later than 60 days after NTP. Failure to maintain an acceptable accounting system, as defined in this clause, shall result in the withholding of payments if the contract includes the Section H clause entitled, *Contractor Business Systems*, and also may result in disapproval of the system.

(c) System criteria.

The Contractor's accounting system shall provide for:

- (1) A sound internal control environment, accounting framework, and organizational structure;
- (2) Proper segregation of direct costs from indirect costs;
- (3) Identification and accumulation of direct costs by contract;
- (4) A logical and consistent method for the accumulation and allocation of indirect costs to intermediate and final cost objectives;
- (5) Accumulation of costs under general ledger control;
- (6) Reconciliation of subsidiary cost ledgers and cost objectives to general ledger;
- (7) Approval and documentation of adjusting entries;
- (8) Management reviews or internal audits of the system to ensure compliance with the Contractor's established policies, procedures, and accounting practices;
- (9) A timekeeping system that identifies employees' labor by intermediate or final cost objectives;
- (10) A labor distribution system that charges direct and indirect labor to the appropriate cost objectives;
- (11) Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account;
- (12) Exclusion from costs charged to Government contracts of amounts which are not allowable in terms of 48 CFR31, *Contract Cost Principles and Procedures*, and other contract provisions;
- (13) Identification of costs by contract line item and by units (as if each unit or line item were a separate contract), if required by the contract;
- (14) Segregation of preproduction costs from production costs, as applicable;
- (15) Cost accounting information, as required:
  - (i) By contract clauses concerning limitation of cost (48 CFR 52.232-20), limitation of funds (48 CFR 52.232-22), or allowable cost and payment (48 CFR 52.216-7); and
  - (ii) To readily calculate indirect cost rates from the books of accounts.

- (16) Billings that can be reconciled to the cost accounts for both current and cumulative amounts claimed and comply with contract terms;
  - (17) Adequate, reliable data for use in pricing follow-on acquisitions; and
  - (18) Accounting practices in accordance with standards promulgated by the Cost Accounting Standards Board, if applicable, otherwise, Generally Accepted Accounting Principles.
- (d) Significant deficiencies.
- (1) The CO will provide an initial determination to the Contractor, in writing, on any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.
  - (2) The Contractor shall respond within 30 days to a written initial determination from the CO that identifies significant deficiencies in the Contractor's accounting system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing. In the event the Contractor does not respond in writing to the initial determination within the response time, this lack of response shall indicate that the Contractor agrees with the initial determination.
  - (3) The CO will evaluate the Contractor's response or the Contractor's lack of response and notify the Contractor, in writing, of the CO final determination concerning:
    - (i) Remaining significant deficiencies;
    - (ii) The adequacy of any proposed or completed corrective action; and
    - (iii) System disapproval, if the CO determines that one or more significant deficiencies remain.
- (e) If the Contractor receives the CO's final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the significant deficiencies.
- (f) Withholding payments. If the CO makes a final determination to disapprove the Contractor's accounting system, and the Contract includes the Section H clause entitled, *Contractor Business Systems*, the CO will withhold payments in accordance with that clause.

## **H.22 DOE-H-2026 Contractor Purchasing System Administration (Oct 2014)**

- (a) Definitions. As used in this clause:

"Acceptable purchasing system" means a purchasing system that complies with the system criteria in paragraph (c) of this clause.

"Purchasing system" means the Contractor's system or systems for purchasing and subcontracting, including make-or-buy decisions, the selection of vendors, analysis of quoted prices, negotiation of prices with vendors, placing and administering of orders, and expediting delivery of materials.

"Significant deficiency" means a shortcoming in the system that materially affects the ability of officials of the DOE to rely upon information produced by the system that is needed for management purposes.

- (b) General.



The Contractor shall establish and maintain an acceptable purchasing system. If the Contractor plans to adopt the existing system from the previous Contractor, the Contractor is responsible for the system and shall comply with the system criteria required in this clause. The Contractor shall provide in writing to the CO documentation that its purchasing system meets the system criteria in paragraph (c) of this clause no later than 60 days after NTP. Failure to maintain an acceptable purchasing system, as defined in this clause, may result in disapproval of the system by the CO and/or withholding of payments.

(c) System criteria.

Consistent with the requirements in FAR, the Contractor's purchasing system shall:

- (1) Have an adequate system description including policies, procedures, and purchasing practices that comply with the FAR (48 CFR Chapter 1) and the DEAR (48 CFR Chapter 9);
- (2) Ensure that all applicable purchase orders and subcontracts contain all flow down clauses, including terms and conditions and any other clauses needed to carry out the requirements of the prime contract;
- (3) Maintain an organization plan that establishes clear lines of authority and responsibility;
- (4) Ensure all purchase orders are based on authorized requisitions and include a complete and accurate history of purchase transactions to support vendor selected, price paid, and document the subcontract/purchase order files which are subject to Government review;
- (5) Establish and maintain adequate documentation to provide a complete and accurate history of purchase transactions to support vendors selected and prices paid;
- (6) Apply a consistent make-or-buy policy that is in the best interest of the Government;
- (7) Use competitive sourcing to the maximum extent practicable, and ensure debarred or suspended contractors are properly excluded from initial NTP;
- (8) Evaluate price, quality, delivery, technical capabilities, and financial capabilities of competing vendors to ensure fair and reasonable prices in accordance with 48 CFR 15.404-1;
- (9) Require management level justification and adequate cost or price analysis, as applicable, for any sole or single source award;
- (10) Perform timely and adequate cost or price analysis and technical evaluation for each subcontractor and supplier proposal or quote to ensure fair and reasonable subcontract prices in accordance with 48 CFR 15.404-3;
- (11) Document negotiations in accordance with 48 CFR 15.406-3;
- (12) Seek, take, and document economically feasible purchase discounts, including cash discounts, trade discounts, quantity discounts, rebates, freight allowances, and company-wide volume discounts;
- (13) Ensure proper type of contract selection in accordance with 48 CFR 16 and prohibit issuance of cost-plus-a-percentage-of-cost subcontracts;

- (14) Maintain subcontract surveillance to ensure timely delivery of an acceptable product and procedures to notify the Government of potential subcontract problems that may impact delivery, quantity, or price;
  - (15) Document and justify reasons for subcontract changes that affect cost or price;
  - (16) Notify the Government of the award of all subcontracts that contain the 48 CFR Chapter 1 and 48 CFR Chapter 9 flow down clauses that allow for Government audit of those subcontracts, and ensure the performance of audits of those subcontracts;
  - (17) Enforce adequate policies on conflict of interest, gifts, and gratuities, including the requirements of the 41 USC chapter 87, Kickbacks;
  - (18) Perform internal audits or management reviews, training, and maintain policies and procedures for the purchasing department to ensure the integrity of the purchasing system;
  - (19) Establish and maintain policies and procedures to ensure purchase orders and subcontracts contain mandatory and applicable flow down clauses, as required by 48 CFR chapter 1, including terms and conditions required by the prime contract and any clauses required to carry out the requirements of the prime contract;
  - (20) Provide for an organizational and administrative structure that ensures effective and efficient procurement of required quality materials and parts at the best value from responsible and reliable sources;
  - (21) Establish and maintain selection processes to ensure the most responsive and responsible sources for furnishing required quality parts and materials and to promote competitive sourcing among dependable suppliers so that purchases are reasonably priced and from sources that meet contractor quality requirements;
  - (22) Establish and maintain procedures to ensure performance of adequate price or cost analysis on purchasing actions;
  - (23) Establish and maintain procedures to ensure that proper types of subcontracts are selected, and that there are controls over subcontracting, including oversight and surveillance of subcontracted effort; and
  - (24) Establish and maintain procedures to timely notify the CO, in writing, if:
    - (i) The Contractor changes the amount of subcontract effort after award such that it exceeds 70 percent of the total cost of the work to be performed under the contract, task order, or delivery order. The notification shall identify the revised cost of the subcontract effort and shall include verification that the Contractor will provide added value; or
    - (ii) Any subcontractor changes the amount of lower-tier subcontractor effort after award such that it exceeds 70 percent of the total cost of the work to be performed under its subcontract. The notification shall identify the revised cost of the subcontract effort and shall include verification that the subcontractor will provide added value as related to the work to be performed by the lower-tier subcontractor(s).
- (d) Significant deficiencies.

- (1) The CO will provide notification of initial determination to the Contractor, in writing, of any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.
- (2) The Contractor shall respond within 30 days to a written initial determination from the CO that identifies significant deficiencies in the Contractor's purchasing system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing. In the event the Contractor does not respond in writing to the initial determination within the response time, this lack of response shall indicate that the Contractor agrees with the initial determination.
- (3) The CO will evaluate the Contractor's response or the Contractor's lack of response and notify the Contractor, in writing, of the CO's final determination concerning:
  - (i) Remaining significant deficiencies;
  - (ii) The adequacy of any proposed or completed corrective action; and
  - (iii) System disapproval, if the CO determines that one or more significant deficiencies remain.
- (e) If the Contractor receives the CO's final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the deficiencies.
- (f) Withholding payments. If the CO makes a final determination to disapprove the Contractor's purchasing system, and the contract includes the Section H clause entitled, *Contractor Business Systems*, the CO will withhold payments in accordance with that clause.

## **H.23 DOE-H-2027 Contractor Property Management System Administration (Oct 2014)**

(a) Definitions. As used in this clause:

- "Acceptable property management system" means a property system that complies with the system criteria in paragraph (c) of this clause.
- "Property management system" means the Contractor's system or systems for managing and controlling Government property.
- "Significant deficiency" means a shortcoming in the system that materially affects the ability of officials of the DOE to rely upon information produced by the system that is needed for management purposes.

(b) General.

The Contractor shall establish and maintain an acceptable property management system. If the Contractor plans to adopt the existing system from the previous contractor, the Contractor is responsible for the system and shall comply with the system criteria required in this clause. The Contractor shall provide in writing to the CO documentation that its property management system meets the system criteria in paragraph (c) of this clause no later than 60 days after NTP. Failure to maintain an acceptable property management system, as defined in this clause, may result in disapproval of the system by the CO and/or withholding of payments.

(c) System criteria.

The Contractor's property management system shall be in accordance with paragraph (f) of the Contract clause at 48 CFR 52.245-1.

(d) Significant deficiencies.

- (1) The CO will provide an initial determination to the Contractor, in writing, of any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.
  - (2) The Contractor shall respond within 30 days to a written initial determination from the CO that identifies significant deficiencies in the Contractor's property management system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing. In the event the Contractor does not respond in writing to the initial determination within the response time, this lack of response shall indicate that the Contractor agrees with the initial determination.
  - (3) The CO will evaluate the Contractor's response or the Contractor's lack of response and notify the Contractor, in writing, of the CO's final determination concerning:
    - (i) Remaining significant deficiencies;
    - (ii) The adequacy of any proposed or completed corrective action; and
    - (iii) System disapproval, if the CO determines that one or more significant deficiencies remain.
- (e) If the Contractor receives the CO's final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the significant deficiencies.
- (f) Withholding payments. If the CO makes a final determination to disapprove the Contractor's property management system, and the contract includes the Section H clause entitled, *Contractor Business Systems*, the CO will withhold payments in accordance with that clause.

## DOE Corporate Clauses other than CHRM or Business Systems

### H.24 DOE-H-2006 Defense Nuclear Facility Safety Board (Oct 2014)

The Contractor shall conduct activities in accordance with those DOE commitments to the Defense Nuclear Facilities Safety Board (DNFSB) which are contained in implementation plans and other DOE correspondence to the DNFSB. The Contractor shall support preparation of DOE responses to DNFSB issues and recommendations which affect or can affect Contract work. Based on the CO's direction, the Contractor shall fully cooperate with the DNFSB and provide access to such work areas, personnel, and information as necessary. The Contractor shall maintain a document process consistent with the DOE manual on interface with the DNFSB. The Contractor shall be accountable for ensuring that subcontractors adhere to these requirements.

### H.25 DOE-H-2015 Separate Corporate Entity (Oct 2014)

The Contractor under this Contract shall be a separate corporate entity from its parent company(s). The separate corporate entity may be a partnership or joint venture. The separate corporate entity must be set up solely to perform this Contract, and shall be totally responsible for all Contract activities.

The separate corporate entity shall perform no other commercial work or work for other Government agencies except as may be authorized under the terms of this contract. The Contractor shall not utilize or otherwise divert contract employees to other corporate work except as may be authorized under the terms of the contract or as otherwise authorized by the CO.

## **H.26 DOE-H-2016 Performance Guarantee Agreement (Oct 2014)**

The Contractor's parent organization(s) or all member organizations if the Contractor is a joint venture, limited liability company, or other similar entity, shall guarantee performance of the contract as evidenced by the Performance Guarantee Agreement incorporated in the contract in Section J Attachment entitled, *Performance Guarantee Agreement*.

If the Contractor is a joint venture, limited liability company, or other similar entity where more than one organization is involved, the parent(s) or all member organizations shall assume joint and severable liability for the performance of the contract. In the event any of the signatories to the Performance Guarantee Agreement enters into proceedings related to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the CO.

## **H.27 DOE-H-2017 Responsible Corporate Official and Corporate Board of Directors (Oct 2014)**

The Contractor has provided a guarantee of performance from its parent company(s) in the form set forth in Section J Attachment entitled, *Performance Guarantee Agreement*. The individual signing the *Performance Guarantee Agreement* for the parent company(s) should be the Responsible Corporate Official. The Responsible Corporate Official is the person who has sole corporate (parent company(s)) authority and accountability for Contractor performance. DOE may contact, as necessary, the single Responsible Corporate Official identified below regarding Contract performance issues.

Responsible Corporate Official:

Name: Angie Heise

Position: President, Civil Group

Company/Organization: Leidos Innovations Corporations

Address: 11951 Freedom Dr. Reston, VA 20190

Phone: 571-435-2607

Facsimile: 703-435-2607

Email: Angela.L.Heise@leidos.com

Should the Responsible Corporate Official or their contact information change during the period of the Contract, the Contractor shall promptly notify the CO in writing of the change.

Identified below is each member of the Corporate Board of Directors that will have corporate oversight. DOE may contact, as necessary, any member of the Corporate Board of Directors, who is accountable for corporate oversight of the Contractor organization and key personnel.

Corporate Board of Directors:

Name: Elizabeth M. Porter  
Position: Chairman of the Board of Managers  
Company/Organization: Leidos Integrated Technology, LLC  
Address: 11951 Freedom Dr., Reston, VA 20190  
Phone: 571-526-7570  
Facsimile: 703-435-2607  
Email: Elizabeth.M.Porter@leidos.com

Name: James F. Carlini  
Position: Member, Board of Managers  
Company/Organization: Leidos Integrated Technology, LLC  
Address: 11951 Freedom Dr., Reston, VA 20190  
Phone: 571-526-6067  
Facsimile: 703-435-2607  
Email: James.F.Carlini@leidos.com

Name: Mike L. Jones  
Position: Member, Board of Managers  
Company/Organization: Leidos Integrated Technology, LLC  
Address: 11951 Freedom Dr., Reston, VA 20190  
Phone: 571-526-7309  
Facsimile: 703-435-2607  
Email: Mike.L.Jones@leidos.com

Name: Bill K. Johnson  
Position: Member, Board of Managers  
Company/Organization: Leidos Integrated Technology, LLC  
Address: 1000 Legion Pl, Suite 1100, Orlando, FL 32801  
Phone: 407-648-3546

Facsimile: 407-648-8382

Email: Bill.K.Johnson@leidos.com

Name: Paul P. Donahue

Position: Member, Board of Managers

Company/Organization: Centerra Group, LLC

Address: 12018 Sunrise Valley Dr Ste 140, Reston, VA 20191

Phone: 703-673-5538

Facsimile: 703-860-4184

Email: paul.donahue@constellis.com

Name: Steven C. Hafner

Position: Member, Board of Managers

Company/Organization: Centerra Group, LLC

Address: 100 M Street SE, Suite 1209 – Washington, DC 20003

Phone: 865-254-1226

Facsimile: 561-406-7207

Email: steven.hafner@constellis.com

Name: Christian S. Alexander

Position: Member, Board of Managers

Company/Organization: Parsons Government Services, Inc.

Address: 12018 Sunrise Valley Dr Ste 140 Reston VA 20191

Phone: 622-422-8109

Facsimile: 202-775-6005

Email: christian.alexander@parsons.com

Should any change occur to the Corporate Board of Directors or their contact information during the period of the Contract, the Contractor shall promptly notify the CO in writing of the change.

## H.28 DOE-H-2018 Privacy Act Systems of Records (Oct 2014) (Revised)

The Contractor shall adopt or recommend the amendment of the following systems of records on individuals to accomplish an agency function pursuant to the Section I clause FAR 52.224-2, *Privacy Act*.

DOE Privacy Act System No.	DOE Privacy Act System Description
DOE-5	Personnel Records of Former Contractor Employees (Includes All Former Workers)
DOE-10	Energy Employees Occupational Illness Compensation Program Act Files
DOE-11	Emergency Operations Notification Call List
DOE-13	Payroll and Leave Records
DOE-14	Report of Compensation
DOE-15	Intelligence-Related Access Authorization
DOE-18	Financial Accounting System
DOE-23	Property Accountability System
DOE-28	General Training Records
DOE-31	Firearms Qualification Records
DOE-33	Personnel Medical Records (Present and Former DOE Employees and Contractor Employees)
DOE-35	Personnel Radiation Exposure Records
DOE-38	Occupational and Industrial Accident Records
DOE-43	Personnel Security Clearance Files
DOE-48	Security Education and/or Infraction Reports
DOE-51	Employee and Visitor Access Control Records
DOE-52	Access Control Records of International Visits, Assignments, and Employment at DOE Facilities and Contractor Sites
DOE-53	Access Authorization for ADP Equipment
DOE-58	General Correspondence Files of the Office of the Secretary of Energy, Deputy Secretary and Under Secretary of Energy
DOE-60	General Correspondence Files
DOE-81	Counterintelligence Administrative and Analytical Records and Reports
DOE-84	Counterintelligence Investigative Records
DOE-88	Epidemiologic and Other Health Studies, Surveys, and Surveillances

If the above list does not address all of the systems of records that are generated based on contract performance, then the Contractor shall notify the CO as soon as the discrepancy is discovered. The Contractor shall monitor the identified systems and notify the CO immediately if there is a change to an existing system or if a new system is needed. Lack of notification does not exempt the Contractor from



complying with the Privacy Act. To ensure that systems are monitored consistently, the Contractor must review the list annually and notify the CO, in writing, that the list is accurate and up to date.

The above list shall be revised by mutual agreement between the contractor and the CO, in consultation with the local Privacy Act Officer and/or General Counsel, as necessary, to keep it current. A formal modification to the contract is not required to incorporate these revisions; however, the revisions become effective upon mutual written agreement of the parties. The mutually agreed-upon revisions shall have the same effect as if they were actually among the systems listed in the table above, for the purpose of satisfying the listing requirement contained in paragraph (a)(1) of the contract clause for FAR 52.224-2, *Privacy Act*. The revisions will be formally incorporated at the next convenient contract modification. Additional information on Privacy Act Systems of Records can be found on the DOE Privacy Office home page.

FAR 52.224-1, *Privacy Act Notification*, and FAR 52.224-2, *Privacy Act*, clauses are mandatory flow-down clauses that must be included in any subcontract requiring design, development, or operation of a Privacy Act system of record, including third-party medical services contracts. Such subcontracts also require flow down of clauses specifically identifying applicable Privacy Act systems of records into the subcontracts. For example, medical services contracts must include the substance of the Section H clause above identifying system of record DOE-33, *Personnel Medical Records*, along with language on records turnover when employees terminate. Subcontracts must also contain scope requirements necessary to ensure DOE and contractor compliance with applicable records management and Privacy Act requirements.

## **H.29 DOE-H-2019 Disposition of Intellectual Property – Failure to Complete Contract Performance (Oct 2014)**

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

- (a) The Government may take possession of and use all technical data, including limited rights data, restricted computer software, and data and software obtained from subcontractors, licensors, and licensees, necessary to complete the work in conformance with this contract, including the right to use the data in any Government solicitations for the completion of the work contemplated under this contract. Technical data includes, but is not limited to, specifications, designs, drawings, operations manuals, flowcharts, software, databases and any other information necessary for of the completion of the work under this contract. Limited rights data and restricted computer software will be protected in accordance with the provisions of the Section I clause DEAR 970.5227-1, *Rights in Data-Facilities*. The Contractor shall ensure that its subcontractors and licensors make similar rights available to the Government and its contractors.
- (b) The Contractor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice by the Contractor, and any other intellectual property, including technical data, which are owned or controlled by the Contractor, at any time through completion of this contract and which are incorporated or embodied in the construction of the facilities or which are utilized in the operation or remediation of the facilities or which cover articles, materials or products manufactured at a facility: (1) to practice or to have practiced by or for the Government at the facility; and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at any time

from contesting the enforceability, validity or scope of, or title to, any rights or patents or other intellectual property herein licensed.

- (c) In addition, the Contractor will take all necessary steps to assign permits, authorizations, leases, and licenses in any third party intellectual property to the Government, or such other third party as the Government may designate, that are necessary for the completion of the work contemplated under this Contract.

### **H.30 DOE-H-2020 Price-Anderson Amendments Act Noncompliance (Oct 2014)**

The Contractor shall establish an internal Price-Anderson Amendments Act (PAAA) noncompliance identification, tracking, and corrective action system and shall provide access to and fully support DOE reviews of the system. The Contractor shall also implement a PAAA reporting process that meets applicable DOE standards. The Contractor shall be accountable for ensuring that subcontractors adhere to these requirements.

### **H.31 DOE-H-2021 Work Stoppage and Shutdown Authorization (Oct 2014)**

- (a) Imminent Health and Safety Hazard is a given condition or situation, which if not immediately corrected, could result in serious injury or death, including exposure to radiation and toxic/hazardous chemicals. Imminent Danger in relation to the facility safety envelope is a condition, situation, or proposed activity which, if not terminated, could cause, prevent mitigation of, or seriously increase the risk of (1) nuclear criticality, (2) radiation exposure, (3) fire/explosion, and/or (4) toxic hazardous chemical exposure.
- (b) Work Stoppage. In the event of an Imminent Health and Safety Hazard, identified by facility line management or operators or facility health and safety personnel overseeing facility operations, or other individuals, the individual or group identifying the imminent hazard situation shall immediately take actions to eliminate or mitigate the hazard (e.g., directing the operator/implementer of the activity or process causing the imminent hazard to stop work, initiating emergency response actions or other actions) to protect the health and safety of the workers and the public, and to protect DOE facilities and the environment. In the event an Imminent Health and Safety Hazard is identified, the individual or group identifying the hazard should coordinate with an appropriate Contractor official, who will direct the shutdown or other actions, as required. Such mitigating action(s) should subsequently be coordinated with the DOE and Contractor management. The suspension or stop-work order should be promptly confirmed in writing by the CO.
- (c) Shutdown. In the event of an imminent danger in relation to the facility safety envelope or a non-Imminent Health and Safety Hazard identified by facility line managers, facility operators, health and safety personnel overseeing facility operations, or other individuals, the individual or group identifying the potential health and safety hazard may recommend facility shutdown in addition to any immediate actions needed to mitigate the situation. However, the recommendation must be coordinated with Contractor management, and the DOE Site Manager. Any written direction to suspend operations shall be issued by the CO, pursuant to FAR 52.242-15 clause, *Stop-Work Order*.
- (d) Facility Representatives. DOE personnel designated as Facility Representatives provide the technical/safety oversight of operations. The Facility Representative has the authority to “stop work,” which applies to the shutdown of an entire plant, activity, or job. This stop-work

authority will be used for an operation of a facility which is performing work the Facility Representative believes:

- (1) Poses an imminent danger to health and safety of workers or the public if allowed to continue;
  - (2) Could adversely affect the safe operation of, or could cause serious damage to the facility if allowed to continue; or
  - (3) Could result in the release of radiological or chemical hazards to the environment in excess of regulatory limits.
- (e) This clause flows down to all subcontractors at all tiers. Therefore, the Contractor shall insert a clause, modified appropriately to substitute "Contractor Representatives" for "the CO" in all subcontracts.

### **H.32 DOE-H-2033 Alternative Dispute Resolution (Oct 2014)**

- (a) DOE and the Contractor both recognize that methods for fair and efficient resolution of contractual issues in controversy by mutual agreement are essential to the successful and timely completion of contract requirements. Accordingly, DOE and the Contractor shall use their best efforts to informally resolve any contractual issue in controversy by mutual agreement. Issues of controversy may include a dispute, claim, question, or other disagreement. The parties agree to negotiate with each other in good faith, recognizing their mutual interests, and attempt to reach a just and equitable solution satisfactory to both parties.
- (b) If a mutual agreement cannot be reached through negotiations within a reasonable period of time, the parties may use a process of alternate dispute resolution (ADR) in accordance with the clause at FAR 52.233-1, *Disputes*. The ADR process may involve mediation, facilitation, fact-finding, group conflict management, and conflict coaching by a neutral party. The neutral party may be an individual, a board comprised of independent experts, or a company with specific expertise in conflict resolution or expertise in the specific area of controversy. The neutral party will not render a binding decision, but will assist the parties in reaching a mutually satisfactory agreement. Any opinions of the neutral party shall not be admissible as evidence in any subsequent litigation proceedings.
- (c) Either party may request that the ADR process be used. The Contractor shall make a written request to the CO, and the CO shall make a written request to the appropriate official of the Contractor. A voluntary election by both parties is required to participate in the ADR process. The parties must agree on the procedures and terms of the process, and officials of both parties who have the authority to resolve the issue must participate in the agreed-upon process.
- (d) ADR procedures may be used at any time that the CO has the authority to resolve the issue in controversy. If a claim has been submitted by the Contractor, ADR procedures may be applied to all or a portion of the claim. If ADR procedures are used subsequent to issuance of a CO's final decision under the clause at FAR 52.233-1, *Disputes*, their use does not alter any of the time limitations or procedural requirements for filing an appeal of the CO's final decision and does not constitute reconsideration of the final decision.
- (e) If the CO rejects the Contractor's request for ADR proceedings, the CO shall provide the Contractor with a written explanation of the specific reasons the ADR process is not appropriate for the resolution of the dispute. If the Contractor rejects the CO's request to use ADR procedures, the Contractor shall provide the CO with the reasons for rejecting the request.

### **H.33 DOE-H-2034 Contractor Interface with Other Contractors and/or Government Employees (Oct 2014) (Revised)**

The Government may award contracts to other contractors for work to be performed at a DOE-owned or DOE-controlled site or facility. The Contractor shall cooperate fully with the other onsite DOE contractors and Government employees. The Contractor shall coordinate its own work with such other work as may be directed by the CO or a duly authorized representative as determined by the CO. The Contractor shall not commit an act that will interfere with the performance of work by another contractor or by a Government employee and seek CO direction if there is an unresolved conflict.

### **H.34 DOE-H-2035 Organizational Conflict of Interest Management Plan (Oct 2014) (Revised)**

Within 15 days after the NTP, the Contractor shall submit to the CO for approval an Organizational Conflict of Interest (OCI) Management Plan (Plan). The Plan shall describe the Contractor's program to identify, avoid, neutralize, or mitigate potential or actual conflicts of interest that exist or may arise during contract performance and otherwise comply with the requirements of the clause at DEAR 952.209-72 (Alt I), *Organizational Conflicts of Interest*. The Plan shall be periodically updated as required during the term of the contract. The Plan shall include, as a minimum, the following:

- (a) The procedures for identifying and evaluating past, present, and anticipated contracts of the Contractor, its related entities and other performing entities under the Contract.
- (b) The procedures the Contractor will utilize to avoid, neutralize, or mitigate potential or actual conflicts of interest.
- (c) The procedures for reporting actual or potential conflicts of interest to the CO. The resolution of potential or actual conflicts of interest that exist or may arise during contract performance shall be documented as part of the Plan.
- (d) The procedures the Contractor will utilize to oversee, implement, and update the Plan, to include assigning responsibility for management, oversight and compliance to an individual in the Contractor's organization with full authority to implement the Plan.
- (e) The procedures for ensuring all required representations, certifications and factual analyses are submitted to the CO for approval in a timely manner.
- (f) The procedures for protecting agency information that could lead to an unfair competitive advantage if disclosed including collecting disclosure agreements covering all individuals, subcontractors, and other entities with access to agency-sensitive information and physical safeguarding of such information.
- (g) An OCI training and awareness program that includes periodic, recurring training and a process to evidence employee participation.
- (h) The enforceable, employee disciplinary actions to be used by the Contractor for violation of OCI requirements.

### **H.35 DOE-H-2043 Assignment and Transfer of Prime Contracts and Subcontracts (Oct 2014) (Revised)**

- (a) Assignment and Transfer of other DOE Prime Contracts. During the period of performance (POP) of this Contract it may become necessary for the DOE to transfer and assign DOE prime contracts in whole or in part supporting site work to this Contract. The Contractor shall accept the transfers and assignments of contracts. Transfer and assignment of prime contracts to the Contractor, if any, will be for administration purposes, and once transferred, will become subcontracts to the Contractor. Any recommendations and/or suggestions on individual transfers shall be submitted in writing to the CO prior to the transfer or assignment.
- (b) Assignment and Transfer of this Prime Contract. During the POP of this Contract it may become necessary for the DOE to transfer and assign in whole or in part this Contract to another DOE contractor. The Contractor shall accept the transfers and assignment. Transfer and assignment, if any, will be for administration purposes, and once transferred, will become a subcontract to the assignee. Any recommendations and/or suggestions on individual transfers shall be submitted in writing to the CO prior to the transfer or assignment.
- (c) Transfer and Assignment of Subcontracts. The Contractor agrees to transfer and assign or accept transfer and assignment of subcontracts as determined necessary by DOE for continuity of operations. The transfer and assignment may be to or from another contractor or to or from DOE as a prime contract. Transfer or assignment of subcontracts to or from the Contractor, if any, will be for administration purposes, and once transferred, will become subcontracts to the Contractor. The Contractor shall use its best efforts to negotiate changes to the assigned subcontracts incorporating mandatory flow-down provisions at no cost. If the subcontractor refuses to accept the changes or requests price adjustments, the Contractor will notify the CO in writing.
- (d) The requirements of this clause is required as a flow-down clause in all subcontracts.

### **H.36 DOE-H-2045 Contractor Community Commitment (Oct 2014) (Revised)**

- (a) The Contractor shall submit to DOE an annual plan for community commitment activities and report on program progress semi-annually.
- (b) The Contractor's annual plan for community commitment activities will identify those meaningful actions and activities that it intends to implement within the surrounding counties and local municipalities. Actions and activities in the areas listed below are representative of the areas in which the Contractor may choose to perform. However, the list is not all-inclusive and is not intended to preclude the Contractor from initiating and performing other constructive community activities nor involvement in charitable endeavors it deems worthwhile.
  - (1) Regional educational outreach programs. The objectives of these programs include teacher enhancement, student support, curriculum enhancement, educational technology, public understanding, and providing the services of contractor employees to schools, colleges, and universities. Regional educational outreach programs could involve providing contractor employees the opportunity to improve their employment skills and opportunities by an educational assistance allowance, provision for outside training programs either during or outside regular work hours, or executive training programs for non-executive employees. This could also involve participating in activities that foster relationships with regional educational institutions and other institutions of higher learning, or encouraging students to pursue science, engineering, and technology careers.

- (2) Regional purchasing programs. The Contractor may conduct business alliances with regional vendors. These alliances may include training and mentoring programs to enable regional vendors to compete effectively for subcontracts and purchase orders and/or assistance with the development of business systems (accounting, budget, payroll, property), to enable regional vendors to meet the audit and reporting requirements of the Contractor and DOE. These alliances may also serve to encourage the formation of regional trade associations, which will better enable regional businesses to satisfy the Contractor's needs.

The Contractor may coordinate and cooperate with the Chambers of Commerce, Small Business Development Centers, and like organizations, and make prospective regional vendors aware of any assistance that may be available from these entities. DOE encourages the use of regional vendors in fulfilling contract requirements.

- (3) Community support. The Contractor may directly sponsor specific local community activities or sponsor individual employees to work with a specific local community activity. The Contractor may provide support and assistance to community service organizations. The Contractor may support strategic partnerships with professional and scientific organizations to enhance recruitment into all levels of its organization.
- (c) The Contractor may use fee dollars to pay for its community commitment actions, as it deems appropriate. All costs to be incurred by the Contractor for community commitment actions and activities are unallowable and non-reimbursable under the contract.

The Contractor shall encourage its subcontractors, at all tiers, to participate in these activities.

### **H.37 DOE-H-2046 Diversity Program (Oct 2014)**

- (a) The Contractor shall develop and implement a diversity program consistent with and in support of the DOE's diversity program. A diversity plan covering the full period of performance (base and option periods) shall be submitted to the CO for approval within 60 calendar days after the NTP. Once the diversity plan is approved by the CO, the Contractor shall implement the diversity plan within 30 calendar days of its approval by the CO.
- (b) The diversity plan shall address, at a minimum, the Contractor's approach, to ensure an effective diversity program (including addressing applicable affirmative action and equal employment opportunity regulations) to include:
  - (1) A statement of the Contractor's policies and practices; and
  - (2) Planned initiatives and activities that demonstrate a commitment to a diversity program, including recruitment strategies for hiring a diverse workforce. The diversity program shall also address, at a minimum, the Contractor's approach for promoting diversity through (1) the Contractor's workforce; (2) educational outreach, including a mentor/protégé program, and businesses; (3) stakeholder involvement and outreach; (4) subcontracting; and (5) economic development.
- (c) An annual diversity report shall be submitted pursuant to Section J Attachment entitled, *Contract Deliverables*. This report shall provide a list of accomplishments achieved, both internally and externally during the current reporting period, and projected initiatives during the next reporting period. The report shall also list any proposed changes to the diversity plan which shall be subject to the CO's approval.

### H.38 DOE-H-2048 Public Affairs – Contractor Releases of Information (Oct 2014)

In implementation of the clause DEAR 952.204-75, *Public Affairs*, all communications or releases of information to the public, the media, or Members of Congress prepared by the Contractor related to work performed under the contract shall be reviewed and approved by DOE prior to issuance. Therefore, the Contractor shall, at least 10 calendar days prior to the planned issue date, submit a draft copy to the CO of any planned communications or releases of information to the public, the media, or Members of Congress related to work performed under this contract. The CO will obtain necessary reviews and clearances and provide the Contractor with the results of such reviews prior to the planned issue date.

### H.39 DOE-H-2052 Representations, Certifications, and Other Statements of the Offeror

The following additional contractor Representations, Certifications and Other Statements are hereby incorporated into the contract by reference:

Name of the Representations, Certifications and Other Statements	Date
EVMS Submission Dated	[TBD]
EVMS = Earned Value Management System                      TBD = To Be Determined	

### H.40 DOE-H-2053 Worker Safety and Health Program in Accordance with 10 CFR 851 (Oct 2014)

- (a) The Contractor shall comply with all applicable safety and health requirements set forth in 10 CFR 851, *Worker Safety and Health Program*, and any applicable DOE Directives incorporated into the Contract. The Contractor shall develop, implement, and maintain a written Worker Safety and Health Program (WSHP) which shall describe the Contractor's method for complying with and implementing the applicable requirements of 10 CFR 851. The WSHP shall be submitted to and approved by DOE. The approved WSHP must be implemented prior to the start of work. In performance of the work, the Contractor shall provide a safe and healthful workplace and must comply with its approved WSHP and all applicable federal and state environment, health, and safety regulations.
- (b) The Contractor shall take all reasonable precautions to protect the environment, health, and safety of its employees, DOE personnel, and members of the public. When more than one contractor works in a shared workplace, the Contractor shall coordinate with the other contractors to ensure roles, responsibilities, and worker safety and health provisions are clearly delineated. The Contractor shall participate in all emergency response drills and exercises related to the Contractor's work, and interface with other DOE contractors.
- (c) The Contractor shall take all necessary and reasonable steps to minimize the impact of its work on DOE functions and employees, and immediately report all job-related injuries and/or illnesses which occur in any DOE facility to the Contracting Officer Representative (COR). Upon request, the Contractor shall provide to the COR a copy of occupational safety and health self-assessments and/or inspections of work sites for job hazards for work performed at DOE facilities.

- (d) The CO may notify the Contractor, in writing, of any noncompliance with the terms of this clause, and the corrective action(s) to be taken. After receipt of such notice, the Contractor shall immediately take such corrective action(s).
- (e) In the event that the Contractor fails to comply with the terms and conditions of this clause, the CO may, without prejudice to any other legal or contractual rights, issue a stop-work order halting all or any part of the work. Thereafter, the CO may, at his or her discretion, cancel the stop-work order so that the performance of work may be resumed. The Contractor shall not be entitled to an equitable adjustment of the contract amount or extension of the performance schedule due to any stop-work order issued under this clause.
- (f) The Contractor shall flow down the requirements of this clause to all subcontracts at any tier.

In the event of a conflict between the requirements of this clause and 10 CFR 851, the requirements of 10 CFR 851 shall take precedence.

#### **H.41 DOE-H-2061 Change Order Accounting (Oct 2014)**

The Contractor shall maintain change order accounting whenever the estimated cost of a change or series of related changes exceeds \$100,000. The Contractor, for each change or series of related changes, shall maintain separate accounts, by job order or other suitable accounting procedure, of all incurred segregable, direct costs (less allocable credits) of work, both changed and not changed, allocable to the change. The Contractor shall maintain such accounts until the parties agree to an equitable adjustment for the changes ordered by the CO or the matter is conclusively disposed of in accordance with the Disputes clause.

#### **H.42 DOE-H-2063 Confidentiality of Information (Oct 2014)**

- (a) Performance of work under this Contract may result in the Contractor having access to confidential information via written or electronic documents, or by virtue of having access to DOE's electronic or other systems. Such confidential information includes personally identifiable information (such as social security account numbers) or proprietary business, technical, or financial information belonging to the Government or other companies or organizations. The Contractor shall treat this information as confidential and agrees not to use this information for its own purposes, or to disclose the information to third parties, unless specifically authorized to do so in writing by the CO.
- (b) The restrictions set out in paragraph (a) above, however, do not apply to:
  - (1) Information which, at the time of receipt by the Contractor, is in the public domain;
  - (2) Information which, subsequent to receipt by the Contractor, becomes part of the public domain through no fault or action of the Contractor;
  - (3) Information which the Contractor can demonstrate was previously in its possession and was not acquired directly or indirectly as a result of access obtained by performing work under this contract;
  - (4) Information which the Contractor can demonstrate was received from a third party who did not require the Contractor to hold it in confidence; or
  - (5) Information which is subject to release under applicable law.



- (c) The Contractor shall obtain a written agreement from each of its employees who are granted access to, or furnished with, confidential information, whereby the employee agrees that he or she will not discuss, divulge, or disclose any such information to any person or entity except those persons within the Contractor's organization directly concerned with the performance of the contract. The agreement shall be in a form satisfactory to the CO.
- (d) Upon request of the CO, the Contractor agrees to execute an agreement with any party which provides confidential information to the Contractor pursuant to this contract, or whose facilities the Contractor is given access to that restrict use and disclosure of confidential information obtained by the Contractor. A copy of the agreement, which shall include all material aspects of this clause, shall be provided to the CO for approval.
- (e) Upon request of the CO, the Contractor shall supply the Government with reports itemizing the confidential or proprietary information it receives under this contract and identify the source (company, companies or other organizations) of the information.
- (f) The Contractor agrees to flow down this clause to all subcontracts issued under this contract.

#### **H.43 DOE-H-2064 Use of Information Technology Equipment, Software, and Third Party Services – Alternate II (Oct 2014)**

- (a) Acquisition of Information Technology. The Government may provide information technology equipment, existing computer software (as described in 48 CFR 27.405), and third party services for the Contractor's use in the performance of the contract; and the CO may provide guidance to the Contractor regarding usage of such equipment, software, and third party services. The Contractor is not authorized to acquire (lease or purchase) information technology equipment, existing computer software, or third party services at the Government's direct expense without prior written approval of the CO. Should the Contractor propose to acquire information technology equipment, existing computer software, or third party services, the Contractor shall provide to the CO justification for the need, including a complete description of the equipment, software or third party service to be acquired, and a lease versus purchase analysis if appropriate.
- (b) The Contractor shall immediately provide written notice to the CO when an employee of the Contractor no longer requires access to the Government information technology systems.
- (c) The Contractor shall not violate any software licensing agreement, or cause the Government to violate any licensing agreement.
- (d) The Contractor agrees that its employees will not use, copy, disclose, modify, or reverse engineer existing computer software provided to it by the Government except as permitted by the license agreement or any other terms and conditions under which the software is made available to the Contractor.
- (e) If at any time during the performance of this contract the Contractor has reason to believe that its utilization of Government-furnished existing computer software may involve or result in a violation of the software licensing agreement, the Contractor shall promptly notify the CO, in writing, of the pertinent facts and circumstances. Pending direction from the CO, the Contractor shall continue performance of the work required under this contract without utilizing the software.
- (f) The Contractor agrees to include the requirements of this clause in all subcontracts at any tier.

- (g) The Contractor shall comply with the requirements of those DOE directives, or parts thereof, identified elsewhere in the contract.

#### H.44 Information Management Requirements

Work performed by the Contractor is expected to be of the highest quality in terms of accuracy, completeness, and timeliness and must meet or exceed the requirements of Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as amended in 1998. Electronic and Information Technology (EIT), as defined at FAR 2.101, supplied under this Contract, must conform to the Architectural and Transportation Barriers Compliance Board Electronic and Information Technology Accessibility Standards (36 CFR 1194). The applicable standards are available at <https://www.access-board.gov>. Work performed by the Contractor must conform to the success criteria listed in the Web Content Accessibility Guidelines (WCAG) 2.0. This information can be found at: <https://www.w3.org/WAI/WCAG20/quickref/> and <https://www.w3.org/WAI/intro/wcag20>. Contractors must meet or exceed the current requirements of Section 508 of the Rehabilitation Act and 36 CFR 1194 and ensure that all work performed for the government will meet or exceed regulatory provisions—§§ 1194.1, *Purpose*, and 1194.2, *Application*, and the appendices accompanying Part 1194, which, in turn, set forth the scoping and technical requirements for the revised Section 508 Standards and Section 255 Guidelines.

If the CO determines that a furnished product or service is not in compliance with the Contract, the CO will promptly inform the Contractor in writing. The Contractor shall, at no cost to the Government, repair or replace the non-compliant products or services within the period of time specified by the CO. If the repair or replacement is not completed within the time specified, the CO may:

- (1) In the case of custom EIT/Information and Communication Technology (ICT) being developed under this Contract, have any necessary changes made or repairs performed by Government employees or by another contractor and the Contractor must reimburse the Government for any expenses incurred thereby.
- (2) For every EIT/ICT product or service accepted under this Contract by the Government that does not comply with 36 CFR 1194 and/or the Section 508 of the Rehabilitation Act, the Contractor must, at the discretion of the CO, make every effort to replace or upgrade it with a compliant equivalent product or service, if commercially available and cost neutral, on either the planned refresh cycle of the product or service, or on the Contract renewal date, whichever occurs first.

#### H.45 DOE-H-2068 Conference Management (Oct 2014)

The Contractor agrees that:

- (a) The Contractor shall ensure that contractor-sponsored conferences reflect the DOE/NNSA's commitment to fiscal responsibility, appropriate stewardship of taxpayer funds and support the mission of DOE/NNSA as well as other sponsors of work. In addition, the Contractor will ensure conferences do not include any activities that create the appearance of taxpayer funds being used in a questionable manner.
- (b) For the purposes of this clause, "conference" is defined in Attachment 2 to the Deputy Secretary's memorandum of August 17, 2015, entitled, *Updated Guidance on Conference-Related Activities and Spending*.
- (c) Contractor-sponsored conferences include those events that meet the conference definition and either or both of the following:

- (1) The Contractor provides funding to plan, promote, or implement an event, except in instances where a contractor:
  - (i) Covers participation costs in a conference for specified individuals (e.g., students, retirees, speakers, etc.) in a total amount not to exceed \$10,000 (by individual contractor for a specific conference); or
  - (ii) Purchases goods or services from the conference planners (e.g., attendee registration fees, renting booth space).
- (2) The Contractor authorizes use of its official seal, or other seals/logos/ trademarks to promote a conference. Exceptions include non-management and operating contractors who use their seal to promote a conference that is unrelated to their DOE contract(s) (e.g., if a DOE IT contractor were to host a general conference on cyber security).
- (d) Attending a conference, giving a speech or serving as an honorary chairperson does not connote sponsorship.
- (e) The Contractor will provide information on conferences they plan to sponsor with expected costs exceeding \$100,000 in the Department's Conference Management Tool, including:
  - (1) Conference title, description, and date;
  - (2) Location and venue;
  - (3) Description of any unusual expenses (e.g., promotional items);
  - (4) Description of contracting procedures used (e.g., competition for space/support);
  - (5) Costs for space, food/beverages, audio visual, travel/per diem, registration costs, recovered costs (e.g., through exhibit fees); or
  - (6) Number of attendees.
- (f) The Contractor will not expend funds on the proposed contractor-sponsored conferences with expenditures estimated to exceed \$100,000 until notified of approval by the CO.
- (g) For DOE-sponsored conferences, the contractor will not expend funds on the proposed conference until notified by the CO.
  - (1) DOE-sponsored conferences include events that meet the definition of a conference and where the Department provides funding to plan, promote, or implement the conference and/or authorizes use of the official DOE seal, or other seals/logos/trademarks to promote a conference. Exceptions include instances where DOE:
    - (i) Covers participation costs in a conference for specified individuals (e.g. students, retirees, speakers) in a total amount not to exceed \$10,000 (by individual contractor for a specific conference); or
    - (ii) Purchases goods or services from the conference planners (e.g., attendee registration fees; renting booth space) or provides funding to the conference planners through Federal grants.
  - (2) Attending a conference, giving a speech, or serving as an honorary chairperson does not connote sponsorship.

- (3) The Contractor will provide cost and attendance information on their participation in all DOE-sponsored conference in the DOE Conference Management Tool.
- (h) For non-Contractor sponsored conferences, the Contractor shall develop and implement a process to ensure costs related to conferences are allowable, allocable, reasonable, and further the mission of DOE/NNSA. This process must at a minimum:
  - (1) Track all conference expenses; and
  - (2) Require the Laboratory Director (or equivalent) or Chief Operating Officer approve a single conference with net costs to the contractor of \$100,000 or greater.
- (i) Contractors are not required to enter information on non-sponsored conferences in DOE's Conference Management Tool.
- (j) Once funds have been expended on a non-sponsored conference, contractors may not authorize the use of their trademarks/logos for the conference, provide the conference planners with more than \$10,000 for specified individuals to participate in the conference, or provide any other sponsorship funding for the conference. If a contractor does so, its expenditures for the conference may be deemed unallowable.

#### **H.46 DOE-H-2069 Payments for Domestic Extended Personnel Assignments (Oct 2014)**

- (a) Definition. For purposes of this clause, "domestic extended personnel assignments" are defined as any assignment of contractor personnel to a domestic location different than their permanent duty station for a period expected to exceed 30 consecutive calendar days.
- (b) For domestic extended personnel assignments, the Contractor shall be reimbursed the lesser of temporary relocation costs (Temporary Change of Station allowances as described in the Federal Travel Regulation at §302-3.400 - §302-3.429) or a reduced per diem (Extended Travel Duty) in accordance with the allowable cost provisions of the contract and the following:
  - (1) When a reduced per diem method (Extended Travel Duty) is utilized, the allowances are as follows:
    - (i) Lodging. For the first 60 days and last 30 days of the assignment, the Government will reimburse costs associated with lodging at the lesser of actual cost or 100 percent of the Federal per diem rate at the assignment location. The intervening days' lodging will be reimbursed at the lesser of actual cost or 55 percent of Federal per diem.
    - (ii) Meals and Incidental Expenses. For the first 30 days and last 30 days of the assignment, the Government will reimburse costs associated with meals and incidental expenses (M&IE) at the lesser of actual cost or 100 percent of the Federal per diem rate at the assignment location. The intervening days M&IE will be reimbursed at the lesser of actual cost or 55 percent of Federal per diem.
  - (2) The Government will not reimburse any costs associated with per diem (except for en route travel) unless the contractor employee maintains a residence at the permanent duty station.
  - (3) The Government will not reimburse costs associated with salary premiums, per diem, lodging, or other subsidies for contractor employees on domestic extended personnel assignments after three (3) years (except for the reimbursements described above during the last 30 days of the assignment).

- (4) If an assignment has breaks within a three-year period, the calculation of the total length of the assignment will be as follows: If the break between assignments is less than 12 months, the Government will consider the assignment continuous for purposes of the three (3) year clock. For instance, if a contractor employee completes a two (2) year assignment at location A and returns to his/her permanent duty station for 12 months, a subsequent new two (2) year assignment back to location A will restart the three-year clock. The assignments will be considered two separate two (2) year assignments. On the other hand, if in the previous example the employee's return to his/her permanent duty station was for six months, the Government would consider the second assignment to be a continuation of the first for purposes of the three (3) year rule.
- (5) The Government will not reimburse costs associated with salary premiums that exceed 10 percent.
- (6) The Contractor shall include the substance of this clause in all subcontracts in which travel will be reimbursed at cost.

#### H.47 DOE-H-2070 Key Personnel – Alternate I (Oct 2014) (Revised)

- (a) Pursuant to the clause DEAR 952.215-70, *Key Personnel*, the key personnel for this Contract are identified below (Table H-4):

Table H-4. Key Personnel

Name	Position
Robert E. Wilkinson	Program Manager
David Chase	Manager of Safeguards and Security and Emergency and First Responders
To be named post award	Chief of Hanford Fire
To be named post award	Chief of Hanford Patrol
Amy Basche	Manager, Integrated Business & Mission Support
John S. Magyar	Manager, Engineering, Technology, and Projects
Todd Synoground	Manager, Infrastructure and Site Services
Mike Wilson	Manager, Mission Assurance
Brian Von Bargaen	Manager, Interface and Integration Services

In addition to the requirement for the CO's approval before removing, replacing, or diverting any of the listed key personnel, the CO's approval is also required for any change to the position assignment of a current key person.

- (1) Key personnel team requirements. The CO and designated COR(s) shall have direct access to the key personnel assigned to the contract. All key personnel shall be assigned full-time to their respective positions and physically located on the Hanford Site or within the Tri-Cities and local surrounding areas. The Contractor shall notify the CO and request approval in writing at least 60 days in advance of any changes to key personnel. This notification constitutes reasonably in advance, as required by DEAR 952.215-70(a)(1).

- (2) No key person position shall remain vacant for a period more than 30 days following CO approval of a change in key personnel or Contractor will be subject to reduction of fee according to (c)(1) or (c)(2) below respective to the key position vacated.
- (3) Approval of changes to key personnel is at the unilateral discretion of the CO.
- (b) Definitions. In addition to the definitions contained in the clause DEAR 952.215-70, the following shall apply:
  - (1) Key personnel are considered “managerial personnel” under the clause DEAR 952.231-71, *Insurance – Litigation and Claims*.
  - (2) For the purposes of this Clause, “Changes to Key Personnel”, is defined as: (i) a change to the position assignment of a current key person under the Contract, except for a person who acts for short periods of time, in the place of a key person during his or her absence, the total time of which shall not exceed 30 working days during a given year (ii) utilizing the services of a new substitute key person for assignment to the Contract beyond 30 working days; or (iii) assigning a current key person for work outside the Contract.
  - (3) For the purposes of this Clause, “Beyond the Contractor’s Control,” is defined as an event for which the Contractor lacked legal authority or ability to prevent “Changes to Key Personnel”.
- (c) Contract fee reductions for changes to key personnel.

A key person change according to the definition for “Changes to Key Personnel” above shall be subject to reduction of fee according to (c)(1) or (c)(2) below respective to the key position vacated.

- (1) Notwithstanding the approval by the CO, any time the Program Manager is removed, replaced, or diverted within two years of being placed in the position, the earned fee under the contract may be permanently reduced by \$500,000 for each and every such occurrence. A change to key person, other than the Program Manager, “Beyond the Contractor’s Control” shall not result in a permanent reduction of fee under this subsection.
  - (2) Notwithstanding the approval by the CO, any time a key person other than the Program Manager is removed, replaced, or diverted within two (2) years of being placed in the position, the earned fee may be permanently reduced by \$100,000 for each and every such occurrence. A change to a key person, other than the Program Manager, “Beyond the Contractor’s Control” shall not result in a permanent reduction of fee under this subsection.
  - (3) The Contractor may request in writing that the CO consider waiving all or part of a reduction in earned fee. Such written request shall include the Contractor’s basis for the removal, replacement, or diversion of any key personnel. The CO shall have the unilateral discretion to make the determination to waive all or part of the reduction in earned fee.
- (d) Reassignment of Chief of Hanford Fire and Chief of Hanford Patrol key personnel.

Notwithstanding the Section G clause, *DOE-G-2008 Non-Supervision of Contractor Employees*, at the unilateral discretion of DOE, the CO may direct immediate reassignment of the Chief of Hanford Fire or the Chief of Hanford Patrol key personnel from their respective position(s). In the event of reassignment, the Contractor shall immediately appoint an interim key person and obtain concurrent approval by the CO. Within six (6) months of the reassignment, the Contractor shall propose a new key person and request written approval from the CO.

- (e) As part of Transition, the Contractor shall provide a *Transition Plan* that includes the resumes for proposed persons to fill the positions of the Chief of Hanford Fire and Chief of Hanford Patrol. DOE will review the proposed persons in the *Transition Plan*, and upon DOE approval of the *Transition Plan*, the proposed persons will be designated as Key Personnel.

#### **H.48 DOE-H-2072 Use of Government Vehicles by Contractor Employees (Oct 2014)**

- (a) The Government will provide Government-owned and/or Government-leased motor vehicles for the Contractor's use in performance of this contract in accordance with the clause FAR 52.245-1, *Government Property* and FAR 52.251-2, *Interagency Fleet Management System (IFMS) Vehicles and Related Services*.
- (b) The Contractor shall ensure that its employees use and operate Government-owned and/or Government-leased motor vehicles in a responsible and safe manner to include the following requirements:
  - (1) Use vehicles only for official purposes and solely in the performance of the Contract.
  - (2) Do not use vehicles for transportation between an employee's residence and place of employment, unless authorized by the CO.
  - (3) Comply with Federal, state and local laws and regulations for the operation of motor vehicles.
  - (4) Possess a valid state, District of Columbia, or commonwealth's operator license or permit for the type of vehicle to be operated.
  - (5) Operate vehicles in accordance with the operator's packet furnished with each vehicle.
  - (6) Use seat belts while operating or riding in a Government vehicle.
  - (7) Do not use tobacco products while operating or riding in a Government vehicle.
  - (8) Do not provide transportation to strangers or hitchhikers.
  - (9) Do not engage in "text messaging" while operating a Government vehicle, which includes those activities defined in the clause FAR 52.223-18, *Encouraging Contractor Policies to Ban Text Messaging While Driving*.
  - (10) In the event of an accident, provide information as may be required by state, county or municipal authorities and as directed by the CO.
- (c) The Contractor shall:
  - (1) Establish and enforce suitable penalties against employees who use, or authorize the use of Government vehicles for unofficial purposes or for other than in the performance of the contract; and
  - (2) Pay any expenses or cost, without Government reimbursement, for using Government vehicles other than in the performance of the contract.
- (d) The Contractor shall insert this clause in all subcontracts in which Government-owned and/or Government-leased vehicles are to be provided for use by subcontractor employees.

#### **H.49 DOE-H-2075 Prohibition on Funding For Certain Nondisclosure Agreements (Oct 2014)**

The Contractor agrees that:

- (a) No cost associated with implementation or enforcement of nondisclosure policies, forms or agreements shall be allowable under this Contract if such policies, forms or agreements do not contain the following provisions: These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive Orders and statutory provisions are incorporated into this agreement and are controlling.
- (b) The limitation above shall not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.
- (c) Notwithstanding the provisions of paragraph (a), a nondisclosure or confidentiality policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure or confidentiality forms shall also make it clear that they do not bar disclosures to Congress, or to an authorized official of an executive agency or the Department of Justice, that are essential to reporting a substantial violation of law.

#### **H.50 DOE-H-2076 Lobbying Restrictions (Oct 2014)**

The Contractor agrees that none of the funds obligated on this award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. § 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

#### **H.51 DOE-H-2078 Multifactor Authentication for Information Systems**

The Contractor shall take all necessary actions to achieve multifactor authentication (MFA) for standard and privileged user accounts of all classified and unclassified networks. In so doing, the Contractor shall comply with the requirements and procedures established in the document "U.S. Department of Energy Multifactor Authentication Implementation Approach" and its appendices as determined by the Contracting Officer.

#### **H.52 DOE-H-2080 Workplace Substance Abuse Programs at DOE Sites (Apr 2018)**

- (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 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 Contracting Officer reasonably in advance of, but not later than 30 days prior to, the award of any subcontract the Contractor believes may be subject to the requirements of 10 CFR part 707, unless the CO agrees to a different date.
  - (2) The DOE Prime Contractor shall require all subcontracts 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 DOE Prime 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.

## Other Clauses

### H.53 Subcontracted Work

The Contractor shall subcontract (in accordance with the definition at FAR Subpart 44.1) at least 40 percent of the Total Contract Value (exclusive of the maximum value under the Indefinite Delivery/Indefinite Quantity [IDIQ] contract line item numbers [CLIN]). At least 50 percent of the Total Subcontracted Work shall be performed by small businesses. The Contractor's subcontracted work shall be in compliance with the approved Section J Attachment, *Small Business Subcontracting Plan*. As Task Orders are issued under the IDIQ CLINs, the Contractor shall update the *Small Business Subcontracting Plan* to reflect the increase in Total Contract Value within the *Small Business Subcontracting Plan* associated with awarded IDIQ Task Orders. Unless otherwise approved in advance by the CO, work to be performed by subcontractors selected after contract award shall be acquired through competitive procurements with an emphasis on fixed-price subcontracts to the maximum extent practicable. The use of cost-type, time-and-materials, and labor-hour subcontracts shall be minimized.

Subcontracts with affiliates, if consented by the CO in accordance with the Section H clause, *Organizational Conflict of Interest – Affiliate (s)*, shall not apply towards meeting the 40 percent subcontract requirement stated above.

The Small Business Subcontracting Plan shall identify timely, discrete, and meaningful scopes of work that can be awarded to small business concerns. Meaningful work is work that is important to the performance of the technical approach defined by the prime contractor. It is characterized by strong technical content (e.g., discrete and distinct technical or programmatic scopes of work) and contributes to the successful achievement of DOE's goals. It should have a performance-based outcome that directly contributes to the overall contract outcome(s) and can include staff augmentation services.

## H.54 Parent Organization Support

- (a) For onsite work, DOE fee generally provides adequate compensation for parent organization expenses incurred in the general management of this Contract. The general construct of this Contract results in minimal parent organization investment (in terms of its own resources, such as labor, material, overhead) in the Contract work. DOE provides Government-owned facilities, property, and other needed resources.

Accordingly, allocations of parent organization expenses are unallowable for the prime contractor, major subcontractors, and/or teaming partners, unless authorized by the CO in accordance with this Clause.

- (b) The Contractor may propose, or DOE may require, parent organization support to:
- (1) Monitor safety and performance in the execution of Contract requirements;
  - (2) Ensure achievement of Contract environmental cleanup and closure commitments;
  - (3) Sustain excellence of Contract key personnel;
  - (4) Ensure effective internal processes and controls for disciplined Contract execution;
  - (5) Assess Contract performance and apply parent organization problem-solving resources on problem areas; and
  - (6) Provide other parent organization capabilities to facilitate Contract performance.
- (c) The CO may, at its unilateral discretion, authorize parent organization support, and the corresponding indirect or direct costs, if a direct-benefiting relationship to DOE is demonstrated. All parent organization support shall be authorized in advance by the CO.
- (d) If parent organization support is proposed by the Contractor or requested by DOE, the Contractor shall submit for DOE review and approval, an annual Parent Organization Support Plan (POSP). The Contractor shall submit its initial POSP at least 60 days prior to:
- (1) The end of the Contract Transition Period; or (2) the commencement date of parent organization support proposed by the Contractor or required by the Government. Subsequent POSP shall be submitted 90 days prior to the start of each fiscal year of Contract performance. The POSP shall be revised as necessary if proposed by the Contractor or requested by DOE.

## H.55 Security Emergency Clause

- (a) During declared security events, DOE-RL may assume direct command and control of the Hanford Patrol. The Chief of the Hanford Patrol shall report directly to the DOE-RL Director of Security, Emergency Services, and Information Management or his designee once DOE-RL has assumed command. Additionally, during a declared security event, the DOE-RL Manager or designee may direct the activities of the Contractor and subcontractors throughout the duration of the emergency.
- (b) The Contractor shall include this Clause in subcontracts at any tier for work performed at the Hanford Site.

## H.56 Security Qualifications

- (a) The Contractor may be required to perform work in designated security areas or work with documents or information that may require an access authorization (clearance). Additionally, the scope of the work may require enrollment into the Human Reliability Program (see 10 CFR Part 712). The Contractor shall ensure that personnel assigned under this Contract and working with classified information, matter, and/or materials possess a DOE “Q” or “L” access authorization (clearance) matching the classification level of the data and information the employee will be required to work on in the performance of their assigned tasks.
- (b) Individuals that do not require a “Q” or “L” clearance will possess either a Local Site Specific Only badge or/and HSPD-12 badge. The Contractor shall not propose non-U.S. citizens for positions requiring security clearances (Clearance-Access authorizations are granted by the DOE pursuant to 10 CFR Part 710, *Criteria and Procedures for Determining Eligibility for Access to Classified Matter or Special Nuclear Material*). Security badges must be worn properly while working at DOE facilities.
- (c) Clearances will be provided and paid for by DOE. The request for clearance and renewal of clearances must be justified based on actual job performance requirements. Uncleared personnel requiring access to security areas where security clearances are needed for unescorted access shall be escorted in these areas by approved escorts.
- (d) The Contractor shall conduct pre-employment screening of prospective employees in order to ensure trustworthiness and reliability. Pre-employment screening shall include, as a minimum, verification of personal identity, previous employment and education, and the results of a credit and law enforcement check. There is no pre-screening required for incumbent employees that do not have a “Q” or “L” clearance.
- (e) Requests for access authorization shall not be submitted until the Contract has been awarded, and a favorable Foreign Ownership, Control, or Influence determination must be rendered by DOE before an access authorization will be granted, reinstated, continued, extended, or transferred for employees or prospective employees on the contract.
- (f) The Contractor shall turn in badges for employees: (1) who are no longer working on the Contract; (2) who no longer require access; (3) when their badge expires; or (4) when the Contract expires or is terminated.

## H.57 Environmental Compliance

- (a) General. The Contractor is required to comply with all environmental laws, regulations, directives, orders, and procedures applicable to the work being performed under this Contract. This includes, but is not limited to, compliance with applicable federal, state, and local laws and regulations, permits, interagency agreements such as the Hanford Federal Facility Agreement and Consent Decree (also known as the Tri-Party Agreement [TPA]) consent orders, consent decrees, and settlement agreements between the DOE and federal and state regulatory agencies. For the purposes of this Contract, the TPA constitutes a requirement pursuant to which the Contractor agrees to plan and perform the Contract work.
- (b) Environmental Permits. This Clause addresses three permit scenarios, where the Contractor is the sole permittee; where the Contractor and DOE are joint permittees; and where multiple contractors are permittees.

- (1) Contractor as Sole Permittee. To the extent permitted by law and subject to other applicable provisions of the contract that impose responsibilities on DOE, and provisions of law that impose responsibilities on DOE or third parties, the Contractor shall be responsible for obtaining in its own name, shall sign, and shall be solely responsible for compliance with all permits, authorizations and approvals from federal, state, and local regulatory agencies which are necessary for the performance of the work required of the Contractor under this Contract.

Under this permit scenario, the Contractor shall make no commitments or set precedents that are detrimental to DOE or other contractors. The Contractor shall coordinate its permitting activities with DOE, and with other contractors which may be affected by the permit or precedent established therein, prior to taking the permit action. Whenever reasonably possible, all such materials shall be provided to DOE and other affected Hanford Site contractors not later than 90 days prior to the date they are to be submitted to the regulatory agency. Any such schedule revision shall be effective only upon approval from the CO.

- (2) DOE as Permittee, or Contractor and DOE as Joint Permittees. Where appropriate, required by law, or required by applicable regulatory agencies, DOE will sign permits as permittee, or as owner or as owner/operator with the Contractor as operator or co-operator, respectively. DOE will co-sign hazardous waste permit applications as owner/operator where required by applicable law. In this scenario, the Contractor shall coordinate its actions with DOE. DOE is responsible for timely notification to the Contractor of any issues or changes in the regulatory environment that impact or may impact contractor implementation of any permit requirement. The Contractor shall be responsible for timely notification to DOE of any issues or changes in the regulatory environment that impact or may impact contractor implementation of any permit requirement. Notification by the Contractor to DOE may be initially verbal with written documentation fully explaining the impact and the reason/rationale for the impact and possible consequences. Whenever reasonably possible all such materials shall be provided to DOE not later than 90 days prior to the date they are to be submitted to the regulatory agency.
- (3) Multiple Contractors as Permittees. Where appropriate, in situations where multiple contractors are operators or co-operators of operations requiring environmental permits, DOE will sign such permits as owner or co-operator and affected contractors shall sign as operators, or co-operators. In this scenario, the Contractor shall coordinate as appropriate with DOE and contractors affected by the permit.

- (c) Permit Applications. The Contractor shall provide to DOE for review and comment in draft form any permit applications and other regulatory materials necessary to be submitted to regulatory agencies for the purposes of obtaining a permit. Whenever reasonably possible all such materials shall be provided to DOE initially not later than 90 days prior to the date they are to be submitted to the regulatory agency. The Contractor shall normally provide final regulatory documents to DOE at least 30 days prior to the date of submittal to the regulatory agencies for DOE's final review and signature or concurrence. Special circumstances may require permits to be submitted to DOE in a shorter timeframe. As soon as the Contractor is aware of any such special circumstance, the Contractor shall provide notice to DOE as to the timeframe in which the documents will be submitted to DOE. The Contractor may submit for DOE's consideration, requests for alternate review, comment, or signature, schedules for environmental permit applications or other regulatory materials covered by this Clause. Any such requests shall be submitted 30 days before such material would ordinarily be required to be provided to DOE. Any such schedule revision shall be effective only upon approval from the CO.

- (d) Financial Responsibility. DOE agrees that if bonds, insurance, or administrative fees are required as a condition for permits obtained by the Contractor under this Contract, such costs shall be allowable. In the event such costs are determined by DOE to be excessive or unreasonable, DOE will provide the regulatory agency with an acceptable form of financial responsibility. The Contractor or its parent will not be required to provide any corporate resources or corporate guarantees to satisfy such regulatory requirements.
- (e) Copies, Technical Information. The Contractor shall provide DOE copies of all environmental permits, authorizations, and regulatory approvals issued to the Contractor by the regulatory agencies. DOE will, upon request, make available to the Contractor access to copies of environmental permits, authorizations, and approvals issued by the regulatory agencies to DOE that the Contractor may need to comply with under applicable law. The Contractor shall and DOE will provide to each other copies of all documentation, such as letters, reports, or other such materials transmitted either to or from regulatory agencies relating to the contract work. The Contractor and DOE shall maintain all necessary technical information and regulatory analysis required to support applications for revision of DOE or other Site contractor environmental permits when such regulatory analysis, applications or revisions are related to the Contractor's operations. Upon request, the Contractor or DOE shall provide to the other party access to all necessary and available technical information required to support applications for permits or revisions to permits. Unless specific text is required by the regulation or permit, the Contractor shall provide to DOE a certification statement relating to such technical information in the form required by the following paragraph.
- (f) Certifications. The Contractor shall provide a written certification statement attesting that information DOE is requested to sign was prepared in accordance with applicable requirements. The Contractor shall include the following certification statement in the submittal of such materials to DOE:

*I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted.*

*Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.*

The certification statement shall be signed by the individual authorized to sign such certification statements submitted to federal or state regulatory agencies under the applicable regulatory program.

- (g) Fines, Penalties, Allowable Costs. The Contractor shall accept, in its own name, service of proposed notices, or notices of, correction, penalty, fine, violation, administrative orders, citation, or notice of alleged violations, (e.g., Notice of Correction [NOC], Notice of Penalty [NOP], Notice of Fine [NOF], Preliminary Notice of Violation [PNOV], Notice of Violation [NOV], and Notice of Alleged Violation [NOAV]) and any similar type notices issued by federal or state regulators to the Contractor resulting from or relating to Contractor's performance of work under this Contract, without regard to liability. The Contractor shall immediately notify DOE of such receipt and shall provide copies or originals of such documents as soon as possible thereafter.

- (h) Negotiations. DOE may in its discretion choose to be in charge of, and direct, all negotiations with regulatory agencies regarding permits, fines, penalties, and any other proposed notice, notice, administrative order, and any similar type of notice as described in paragraph (g) above. As directed or required by DOE, the Contractor shall participate in negotiations with regulatory agencies; however, the Contractor shall not make any commitments or offers to regulators purporting to bind or binding the Government in any form or fashion, including monetary obligations, without receiving written authorization or concurrence from the CO or his/her authorized representative prior to making such offers/commitments. Failure to obtain such advance written approval may result in otherwise allowable costs being declared unallowable and/or the Contractor being liable for any excess costs to the Government associated with or resulting from such offers/commitments.
- (i) Termination, Expiration, Permit Transfer. Prior to or in the event of expiration or termination of this Contract, DOE may require the Contractor to take all necessary steps to transfer some or all environmental permits held by the Contractor. DOE will assume responsibility for such permits, with the approval of the regulating agency, and the Contractor shall be relieved of all liability and responsibility to the extent that such liability and responsibility results from the acts or omissions of a successor Contractor, DOE, or their agents, representatives, or assignees. The Contractor shall remain liable for all unresolved costs, claims, demands, fines, and penalties, including reasonable legal costs, arising prior to the date such permits are transferred to another party. The Contractor shall not be liable for any such claims occurring after formal transfer unless said claims result from the Contractor's action or inaction that occurred prior to transfer.
- (j) Miscellaneous. The Contractor shall accept assignment or transfer of permits pertaining to matters under this Contract currently held by DOE and its existing Contractor.

## H.58 Information

- (a) Management of Information Resources. The Contractor shall design and implement Information Resources Management capabilities as required to execute this Contract in accordance with OMB Circular No. A-130, *Managing Information as a Strategic Resource*.
- (b) Release of Information. The Contractor shall provide timely, accurate, and complete responses to information requested by DOE to comply with Freedom of Information Act and Privacy Act requirements. The Contractor shall develop, plan, and coordinate proactive approaches to dissemination of timely information regarding DOE unclassified activities. This will be accomplished through coordination with DOE. Proactive communications or public affairs programs will include or make use of a variety of tools including, open houses, newsletters, press releases and/or conferences, audio/visual presentations, speeches, forums, and tours. The Contractor shall implement this responsibility through coordination with DOE in such a manner that the public, whether it is the media, citizen's groups, private citizens, or local, state, or Federal Government officials, has a clear understanding of DOE activities at the Hanford Site.
- (c) Unclassified Controlled Nuclear Information (UCNI). Documents originated by the Contractor or furnished by the Government to the Contractor, in connection with this contract, may contain UCNI as determined pursuant to Section 148 of the Atomic Energy Act of 1954, as amended. The Contractor shall be responsible for protecting such information from unauthorized dissemination in accordance with DOE regulations and directives and Section I clauses, DEAR 952.204-2, *Security Requirements*, and DEAR 952.204-70, *Classification/Declassification*.
- (d) The Contractor shall obtain the written agreement, in a form satisfactory to the CO, of each employee permitted access to controlled unclassified information, whereby the employee agrees that they will not discuss, divulge or disclose any such information or data to any person or entity

except those persons within the Contractor's organization directly concerned with the performance of the contract.

- (e) The Contractor agrees, if requested by the Government, to sign an agreement identical, in all material respects, to the provisions of this subparagraph (d), with each company or organization supplying information to the Contractor under this contract, and to supply a copy of such agreement to the CO. Upon request from the CO, the Contractor shall supply the Government with reports itemizing information received as confidential or proprietary and setting forth the companies or organization from which the Contractor received such information.
- (f) The Contractor agrees that upon request by CO, it shall execute a DOE-approved agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities. Upon request by DOE, such an agreement shall also be signed by the Contractor personnel.
- (g) The Government reserves the right to require the Contractor to include this Clause or a modified version of this Clause in any subcontract as directed in writing by the CO.

## H.59 Partnering

In order to most effectively accomplish this Contract, the Government proposes to form a cohesive partnership with the Contractor. It is a way of doing business based upon trust, dedication to common goals, and an understanding and respect of each other's expectations and values. The process creates a teambuilding environment, which fosters better communication and problem solving, and a mutual trust between the participants. These key elements create a climate in which issues can be raised, openly discussed, and jointly settled, without getting into an adversarial relationship. In this way, partnering is a mindset and a way of doing business. It is an attitude toward working as a team and achieving successful project execution. This endeavor seeks an environment that nurtures team building cooperation and trust between the Government and the Contractor. The partnership strives to draw on the strengths of each organization in an effort to achieve a quality project done right the first time, within budget, and on schedule.

Participation in the partnership will be totally voluntary by the parties. Any cost associated with effectuating this partnership will be accounted for in accordance with the terms of the Contract.

## H.60 National Nuclear Security Administration/Environmental Management Strategic Sourcing Partnership

The Contractor shall participate in the NNSA/EM Strategic Sourcing Partnership. Under this partnership, EM contractors shall work with the NNSA/EM Supply Chain Management Center to yield an enterprise-wide, synergistic strategic sourcing solution that leverages NNSA and EM purchasing power to gain pricing, processing, and report efficiencies to reduce costs overall for the Government.

## H.61 Integrated Work Control Systems and Reporting Requirements for Cost Plus Type Contracts (Apr 2018)

- (a) **Management of Work.** The Contractor shall establish, maintain and use a work control system that accurately records and reports the contract performance against the requirements of the contract described in Section C, Performance Work Statement (PWS), using the Contract Performance Baseline (CPB). The CPB shall represent the cost, schedule, and the entire scope over the entire

contract period of performance as it relates to the total estimated cost of the Contract exclusive of fee and any contract overruns.

The work control system shall be consistent with DOE and Office of Environmental Management (EM) policies and guidance for capital asset projects and operations activities listed at the end of this clause. The Contractor shall submit an Integrated Work Control System Description (IWCS) for DOE approval during the Contract Transition Period that documents the existence of the work control system specified by this Contract.

All of the contract work activities are expected to be managed using consistent work control approaches and methods. The Government will designate capital asset projects with total project costs greater than \$50 million, which have additional planning, execution, and reporting requirements for the Contractor as outlined in DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets, Attachment 1, Contractor Requirements Document (CRD)*. The Government may also designate capital asset projects with total project costs equal to or less than \$50 Million, which the Contractor shall manage in accordance with Office of Environmental Management Requirements for Management of Capital Asset Projects with Total Project Cost Equal to or less than \$50 Million but greater than the minor construction threshold to be provided at the time the project designation is made.

- (b) **Integrated Work Control System.** The Contractor shall establish, maintain, and use an Integrated Work Control System (IWCS) that accurately plans, depicts, records and reports the contractor performance against the requirements of the Contract and accurately reflects the total estimated cost of the Contract exclusive of fee for the work scope and period of performance being authorized. Fixed-price contracts or fixed price contract line items are not required to have an IWCS. The IWCS shall employ an EVMS that complies with the Electronic Industries Alliance (EIA)-748 (current) EVMS Standard using a graded approach.

If this Contract does not contain capital asset projects with total project costs equal to or greater than the threshold for mandatory application of earned value management, the Contractor may propose to DOE an alternative performance measurement method that accurately records and reports the contract performance against the requirements of the Contract. However, any alternative performance measurement method for use on the Contract is only allowable as approved by the Contracting Officer.

If this Contract contains Capital Asset Projects with total project costs equal to or greater than the minor construction threshold, the Contractor must employ, on those projects, an EVMS that complies with the Electronic Industries Alliance (EIA)-748 (current) as the integrated work control system using a graded approach. The EVMS shall be evaluated for compliance with the EIA-748 standard and, if required, certified in accordance with DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*.

The requirements of this clause are in addition to the applicable requirements of DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets, Attachment 1, Contractor Requirements Document*. The CPB shall include and reflect the DOE Order 413.3B requirements for capital asset projects with total project costs greater than \$50 Million, as required.

The following documents provide background and context for planning and reporting requirements in Section H entitled, *Integrated Contractor Work Control Systems and Reporting Requirements*:



- a. Over Target Baseline and Over Target Schedule Guide, Office of Under Secretary of Defense Office for Acquisition Technology & Logistics (Office of Performance Assessments and Root Cause Analysis), December 5, 2012;
  - b. OMB Circular No. A-131, Value Engineering, December 26, 2013;
  - c. GAO-09-3SP, GAO Cost Estimating and Assessment Guide, March 2009;
  - d. GAO-16-89G, GAO Schedule Assessment Guide, December 2015;
  - e. GAO-15-37, GAO Report on DOE and NNSA Project Management, Analysis of Alternatives Could Be Improved by Incorporating Best Practices, December 2014;
  - f. NDIA Planning and Scheduling Excellence Guide (PASEG) Release v3.0 March 2016.
- (c) **Baseline Development.** The Contractor's planning and performance reporting processes shall provide DOE with the supporting data for an independent assessment of the Contractor's work execution plan, basis of cost and schedule estimates for work packages and planning packages, measurement basis of progress reporting and change control process. For the Contract, the estimated cost plus the estimated fee equals the estimated price. The CPB represents the cost, schedule, and scope as it relates to the total estimated cost of the Contract exclusive of fee for the work scope and performance period being authorized. The CPB, developed and continuously maintained by the Contractor, shall be comprehensive, integrating all aspects of the contract and identifying interfaces with external entities, facilitating coordination with cleanup efforts and work scope performed by others. The CPB schedule shall be resource loaded, optimally sequenced, and contain logic driven critical path(s) to key milestones throughout the contract period of performance. Changes to the CPB shall follow applicable DOE and EM change control policies and guidance listed at the end of this clause.

The CPB cost and schedule allocations must be documented at a Work Breakdown Structure (WBS) level where work activities, their costs, and schedule are planned and controlled by the Contractor to demonstrate that the Contractor understands the complexity of work, and has put in place the planning and management processes and qualified personnel to execute the work in a safe and efficient manner.

The CPB will be reviewed by DOE and must be approved by the CO in accordance with the following process.

(1) Initial Contract Performance Baseline Submittal

- (i) Within the Contract Transition Period (120 days from the Notice to Proceed (NTP), the Contractor shall develop and submit for CO approval:
  - (A) The Initial CPB covers at least the first 15 months of performance starting from the NTP, including the Contract Transition Period. The Initial CPB reflects the baseline plan at contract award. It should comprise the scope (including the WBS), cost, and schedule as submitted in the contractor's proposal with any revisions resulting from negotiations leading to contract award.
  - (B) The CO will notify the Contractor of the exact timeframe to be used for the Initial CPB and may desire to align the Initial CPB with the fiscal year. During the Contractor Transition Period, the CO will formally communicate to the Contractor the acceptance criteria to be used by DOE for review and approval of the Initial CPB.

- (C) The Contractor shall submit to DOE, for review and approval, an IWCS D that documents the existence of the work controls system specified by the Contract no later than the end of the Contract Transition Period.
  - (D) During the Contract Transition Period, the DOE and the Contractor will work to reconcile the Contract based on the conditions at the time of award to include the following:
    - Reconcile contract scope and conditions with changes since the final RFP was issued, such as labor rate revisions, environmental regulatory milestone changes, adjusted pension payments, funding profile, etc.;
    - Reconcile the cleanup progress the previous contractor actually made, as applicable, by the end of the contract period compared with what was assumed in the final RFP;
    - Reconcile “DOE-provided” costs such as those provided in Section L, for example, legacy pension and benefit costs;
    - Reconcile “material differences” proposed by the Contractor; and
    - Identify potential DOE changes that may have developed since the final RFP was issued.
  - (ii) Contract modifications negotiated within the Contract Transition Period, but not included in the Initial CPB during that period shall be incorporated into the Initial CPB through formal baseline change approvals. Subsequent changes negotiated after the Contract Transition Period shall be incorporated in the Initial CPB through formal contract modification and baseline change approvals.
  - (iii) The Contractor shall immediately begin performance reporting against the Initial CPB as submitted to the CO. The Initial CPB must have the necessary data elements to support DOE reviews of the EVMS for compliance with the EIA-748 standard and/or DOE reviews for adequacy of any other performance measurement methods.
- (2) Final CPB Submittal
- (i) During the first six (6) months after the Contract Transition Period, in addition to performing and reporting progress against the Initial CPB, the Contractor shall develop and submit for approval to the CO the Final CPB, which details plans for the entire contract scope through the end of the period of performance.
  - (ii) The Final CPB shall incorporate the Contract WBS for the entire contract scope, including all modifications made to reconcile the Contract with conditions at the time of award. The WBS includes and represents at least one level lower than the detail from Section C, *PWS*.
  - (iii) The Final CPB represents the scope, cost and schedule through the end of the period of performance as it relates to the total estimated cost of the Contract exclusive of fee.
  - (iv) The Contractor shall provide monthly status reports regarding the CPB document preparation progress to the CO.

- (v) During the Contractor Transition Period, the CO will formally communicate to the Contractor the acceptance criteria to be used by DOE for review and evaluation of the Final CPB.
- (vi) The Final CPB submittal shall include both a hard copy and electronic files.
- (d) **CPB and Contract Alignment.** It is critical and important that the CPB remain aligned with the Contract, including any modifications, throughout the Contract period of performance. The CPB plus fee and Management Reserve must equal the contract price. The CPB and any authorized unpriced work must be reconciled to the contract throughout the contract term. The Government may withhold all fee payments until the Contractor has obtained the CO's approval of the Final CPB. Similarly, if at any time during the contract performance there is a significant misalignment of the CPB with the Contract, all fee payments may be withheld until alignment is re-established. Within 60 days of the Notice to Proceed, the CO will communicate to the Contractor conditions that constitute significant misalignment of the CPB with the Contract.
- (e) **Contract Baseline Management.**
  - (1) The approved CPB is the reference document for reporting scope, cost, and schedule performance. The CPB and changes to the CPB (initial and final CPB) at all levels shall be managed using formal documented procedures. The CPB does not replace or modify the Contract terms and conditions and does not create DOE obligations.
  - (2) The CPB must remain aligned with the Contract. For the cost element, alignment means that the total cost of all the CPB scope must equal total estimated cost of the Contract exclusive of fee; for the schedule element, alignment means that the end date of final CPB schedule is the same as the contract end date; and for the scope alignment means that the WBS supporting the final CPB includes all scope elements in the contract.
  - (3) If a change to the Contract scope is directed by DOE and is in accordance with the Changes clause, the Contractor shall submit the CPB change proposal concurrently with a request for Contract change proposal to the CO. If the CO issues a unilateral or bilateral Contract modification, the Contractor shall submit a revised CPB in accordance with direction accompanying the Contract modification.
- (f) **Reviews.**
  - (1) Review and Approval of Contractor Performance Baseline: After receipt of the Contractor's Final CPB, DOE will complete its review to determine whether the Final CPB meets the terms and conditions of the Contract. In cases where it doesn't meet the requirements, the Contractor shall submit a corrective action plan to the CO for DOE (within 15 days of receipt of DOE's comments). All corrective actions shall be completed in the time-frames established in the approved corrective action plan.
  - (2) Review and Approval (or Certification, as required) of Contractor's Integrated Work Control System:
    - (i) If the Contractor is required to have an EVMS that complies with the Electronic Industries Alliance (EIA)-748 (current) EVMS Standard, unless DOE has formally approved the use of an alternative performance measurement method. The Contractor shall begin earned value reporting no later than the end of the Contract Transition Period. The Contractor shall initiate discussions with the CO within 15 days after NTP to schedule a DOE-led

EVMS compliance review and, when three (3) months of earned value data is available (and no later than six [6] months after the Contract Transition Period), the Contractor shall have in place all EVMS documentation in conformance with EIA-748 standards.

- (ii) If the Contractor has received formal DOE approval to use an alternate performance measurement method, the Contractor shall initiate discussions with the CO within 15 days after the NTP to schedule a review in support of DOE's approval of the alternate performance measurement method, its implementation and its system description and procedures. If the Contractor receives the DOE's determination of deficiencies, the Contractor shall, within 45 days of receipt of the determination, either correct the deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the deficiencies.
- (iii) A Surveillance Review of the Contractors work control system may be scheduled and conducted by DOE at any time during the Contract period of performance to ensure that the system accurately records and reports the Contractor performance against the requirements of the Contract, complies with the approved IWCS D processes and procedures, and accurately reflects the total estimated cost of the Contract exclusive of fee for the work scope and period of performance.
- (iv) The Contractor shall provide the CO, or designated representative(s), access to any and all information and documents supporting the Contractor's integrated work control and reporting system.
- (g) **Performance Reporting.** The Contractor shall submit the Contractor's Monthly Performance Report to the CO with a copy to the Office of Project Management in the Office of Environmental Management at [ContractorsMPR@hq.doe.gov](mailto:ContractorsMPR@hq.doe.gov) not later than the twenty-fifth calendar day of each calendar month following the month of performance. (The CO can set an earlier due date at the discretion of the Site if needed.) The report shall provide the prior month's performance for each WBS activity and an update of the performance to date. Format, timing, and manner of reporting will vary based on the type of work in the CPB segment. For the monthly reporting requirements for the various types of projects, contracts, or operating activities, see the pertinent contract section(s) in addition to the requirements below.

The Monthly Performance Report will include the following sections:

The Monthly Performance Report for each CPB segment will include Contract Performance Reports (CPR) formats 1-5 and a *Contract Funds Status Report* (CFSR) unless the contract specifies otherwise. The CPRs shall be provided in the format forms referenced in the Integrated Program Management Report (IPMR) DID DOE Version, unless the contract specifies otherwise. The CFSR shall be provided in accordance with the DID DOE Version or equivalent.

Contractors using a DOE approved alternative performance measurement method shall provide equivalent reports, with similar information to those CPRs described above for DOE review and approval, as defined in the DOE-approved IWCS D.

The Monthly Performance Report shall also include an executive summary comprising the following sections:

- A concise narrative of the Contract status including scope accomplished during the reporting period, near term activities to be performed, and whether the Contract is on target to meet objectives and whether any new risks have been identified.

- Include a status of the Key Performance Measures (KPM) established for Segment baselines.
- Identify critical risks, actions planned, actions taken, potential problems, impacts and alternative courses of action.
- Include breakout by Performance Baseline Summary (PBS) and rollup to contract value of SPI, CPI and performance.
- A narrative explaining significant performance variances per the thresholds as established in the contract.
- An update of the status schedule and analysis of variances between current and target schedule. Identification and analysis of the critical path or near critical path schedule, their root cause, and potential impacts to the Contract targets. This section shall also provide the overall contract current and cumulative Schedule Performance (SPI) indices and explanation of any significant trends.
- An update/status of CPB/project costs including current and cumulative Cost Performance Indices (CPI) and explanation of any significant trends.
- Explanation of near term milestones and deliverables at risk of being missed.
- Status of regulatory milestones, if included in the contract, and identify regulatory issues.
- Discussion of corrective actions currently in place to address performance issues including initiation date of corrective actions.
- A short narrative explaining any funding issues and provide priority list of work that could potentially be deferred.
- Update/status of any change proposals being considered or submitted. Contractor shall provide an updated change control log for the baseline and contract changes.
- Information on any safety or quality matters that emerged or persisted during the reporting month. Include safety metrics, Occupational Safety and Health Administration (OSHA) recordable injuries, lost-time incidents and near misses, including fiscal year, 12 month rolling average and cumulative data.

If the CPB consists primarily of Level of Effort activities, the status report will tabulate planned versus actual cost by major functions as agreed to between the Contractor and the CO.

(Note: Integrated Planning, Accountability, and Budgeting System [IPABS] is the central repository for EM planning and performance data. Contractor Monthly Performance Report is used by the site or field office to enter the monthly performance data into IPABS).

## H.62 Legal Management

- (a) The Contractor shall utilize necessary legal support to perform contractual requirements and comply with 10 CFR 719, *Contractor Legal Management Requirements*.
- (b) As required by the CO, the Contractor shall provide legal and related support to the Government on regulatory matters, third-party claims, and threatened or actual litigation. Support includes, but is not limited to: case preparation, document retrieval, review and reproduction, witness preparation,

expert witness testimony, and assistance with discovery or other information requests responsive to any legal proceeding.

- (c) When evaluating requests for reimbursement or allowability of Contractor costs associated with defense and/or settlement of legal claims brought against the Contractor by a third party:

DOE will not reimburse Contractor legal defense costs or damages incurred where a judgment is issued finding that the Contractor engaged in discriminatory conduct prohibited by the terms of the contract, such as those covered by FAR 52.222-26, *Equal Opportunity*, FAR 52.222-35, *Equal Opportunity for Veterans*, and FAR 52.222-36, *Affirmative Action for Workers With Disabilities*.

DOE will not reimburse the Contractor legal costs associated with a settlement agreement (including legal defense costs, settlement awards, or both), associated with legal claims brought against the Contractor by a third party relating to discriminatory conduct prohibited by the terms of the contract, such as those covered by FAR 52.222-26, *Equal Opportunity*, FAR 52.222-35, *Equal Opportunity for Veterans*, and FAR 52.222-36, *Equal Opportunity for Workers with Disabilities*, where the CO determines that the plaintiff's claim(s) had more than very little likelihood of success on the merits. Where the plaintiff's claim had very little likelihood of success on the merits, the defense and settlement costs related to the claim are allowable if the costs are otherwise allowable under the contract (e.g., reasonable, allocable).

### **H.63 Safety Act Coverage – Not Applicable**

The Government has determined that for purposes of this Contract the product(s) or service(s) performed or acquired under this Contract are neither presumptively nor actually entitled to a predetermination that the products or services are qualified anti-terrorism technologies as that term is defined by the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act), 6 U.S.C. 441-444. This determination does not prevent sellers of technologies from applying for SAFETY Act protections in other contexts. Products or services in which either acceptance or pricing is made contingent upon SAFETY Act designation as a qualified anti-terrorism technology or SAFETY Act certification as an approved product for homeland security of the proposed product or service will not be considered allowable costs under the contract. See Federal Acquisition Regulation subpart 50.2.

## **Hanford Specific Clauses**

### **H.64 Advance Understanding on Costs**

DOE will and the Contractor shall, within 120 days after NTP, reach advance understandings regarding certain costs under this Contract. Such advance understandings enable both DOE and the Contractor to determine the allocability, allowability, and reasonableness of such costs prior to their incurrence, thereby avoiding subsequent disallowances and disputes, and facilitating prudent expenditure of public funds. It is expected that costs covered by such advance understandings will include employee travel and relocation, and employee compensation and benefits. Generally, DOE expects the incurrence of costs to be consistent with the Contractor's corporate-wide policies consistently and uniformly applied throughout its domestic operations subject to the specific limitations, conditions, and exclusions of FAR Subpart 31.2, *Contracts with Commercial Organizations*, as supplemented by DEAR 931.2, *Contracts with Commercial Organizations*. Advance understandings will be appended to the Contract in the Section J Attachment entitled, *Advance Understanding on Costs*.

## **H.65 Radiological Site Services and Records, and Occupational Medical Services and Records**

- (a) The Contractor shall obtain Radiological Site Services (RSS) and occupational medical services for all Contractor and subcontractor employees performing hazardous work that may expose workers to chemical, physical (including radiological), biological, and/or similar hazards. The Contractor shall identify required RSS and occupational medical services as required by the Section C PWS and Section J Attachment entitled, *Government-Furnished Services and Information* (GFS/I), respectively.
- (b) RSS are obtained as specified in Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*. RSS includes external dosimetry, internal dosimetry services, radiological instrumentation program, and radiological records services. The Section I clauses DEAR 952.223-75, *Preservation of Individual Occupational Radiation Exposure Records*, and DEAR 970.5204-3, *Access to and Ownership of Records*, are implemented as follows with respect to radiological records: Radiological exposure records generated during the performance of Hanford-related activities will be maintained by the designated provider of this service listed in Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*, and are the property of DOE.
- (c) Occupational medical services for employees performing work under this Contract are provided by the Hanford Site occupational medical services contractor as specified in Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*. The Section I clause DEAR 970.5204-3, *Access to and Ownership of Records*, is implemented as follows with respect to occupational medical records. Occupational medical records generated during the performance of Hanford-related activities shall be maintained by the Hanford Site occupational medical services provider and are the property of DOE.

## **H.66 Allocation of Responsibility and Liability for Contractor and U.S. DOE Environmental Compliance Activities**

- (a) In this Clause:
  - (1) “Environmental” requirements means requirements imposed by applicable federal, state, and local environmental laws and regulations, including, without limitation, statutes, ordinances, regulations, court orders, consent decrees, administrative orders, or compliance agreements including the *Hanford Federal Facility Agreement and Consent Order*, consent orders, permits, and licenses; and
  - (2) “Party” means either the Contractor or DOE.
- (b) Responsibility and liability for fines or penalties arising from or related to violations of environmental requirements shall be borne by the party causing the violation regardless of which party:
  - (1) The cognizant regulatory authority fines or penalizes;
  - (2) Signs permit applications (including situations where DOE signs defective or non-conforming permit applications or other environmental submittals prepared by or under the direction of the Contractor), manifests, reports, or other required documents;
  - (3) Is a permittee; or

- (4) Is the named subject of an enforcement action or assessment of a fine or penalty. Consequently, if the Contractor causes a violation:
- (i) All fines and penalties arising from or related to violations of environmental requirements are unallowable costs. If DOE pays a fine or penalty for a violation that the Contractor caused, the amount of the fine or penalty shall be due from the Contractor, and DOE may immediately offset that amount against payments to which the Contractor is otherwise entitled for allowable costs and fee, or any other funds otherwise owed by the Government to the Contractor; and
  - (ii) Costs of challenging or defending actions brought against the Contractor for violations of environmental requirements are hereby specifically disallowed. However, if the CO provides prior written authorization to challenge or defend against the action, the Contractor shall proceed in accordance with DEAR 952.231-71, *Insurance-Litigation and Claims*. If the Contractor proceeds with the action without the prior written authorization of the CO, the costs of the challenge or defense may be allowable if there is no settlement, conviction, or finding of liability.

## H.67 Payments

- (a) Payment of Provisional Fee. Provisional Fee is payable following the Government's determination of Available Fee in accordance with the Section B clause, DOE-H-2060, *Award Fee (Oct. 2014) (Revised)*. Provisional Fee and earned fee shall be made by direct payment under this Contract, as determined by the CO, in accordance with the Section B clause entitled, *Provisional Payment of Fee*.
- (b) Payments on Account of Allowable Costs. The CO and the Contractor shall agree as to the extent to which payment for allowable costs or payments for other items specifically approved in writing by the CO (for example, negotiated fixed amounts) shall be made.
- (c) Financial Settlement. The Government will promptly pay to the Contractor the unpaid balance of allowable costs (or other items specifically approved in writing by the CO) and fee upon termination of the work, expiration of the term of the Contract, or completion of the work and its acceptance by the Government after:
  - (1) Compliance by the Contractor with DOE patent clearance requirements, and
  - (2) The furnishing by the Contractor of:
    - (i) An assignment of the Contractor's rights to any refunds, rebates, allowances, accounts receivable, collections accruing to the Contractor in connection with the work under this Contract, or other credits applicable to allowable costs under the Contract;
    - (ii) A closing financial statement;
    - (iii) The accounting for Government-owned property required by the Section I clause FAR 52.245-1, *Government Property*; and
    - (iv) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract subject only to the following exceptions:
      - (A) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by the Contractor;



- (B) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this Contract; provided that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the CO promptly, but not more than one (1) year after the Contractor's right of action first accrues. In addition, the Contractor shall provide prompt notice to the CO of all potential claims under this Clause, whether in litigation or not (see also Section I clause, DEAR 952.231-71, *Insurance – Litigation and Claims*);
  - (C) Claims for reimbursement of costs (other than expenses of the Contractor by reason of any indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents; and
  - (D) Claims recognizable under the Section I clause, DEAR 952.250-70, *Nuclear Hazards Indemnity Agreement*.
- (3) In arriving at the amount due the Contractor under this Clause, there shall be deducted,
- (i) Any claim which the Government may have against the Contractor in connection with this Contract, and
  - (ii) Deductions due under the terms of this Contract and not otherwise recovered by or credited to the Government.
- (a) Discounts: The Contractor shall take and afford the Government the advantage of all known and available cash and trade discounts, rebates, allowances, credits, salvage, and commissions unless the CO finds that action is not in the best interest of the Government.
  - (b) Collections. All collections accruing to the Contractor in connection with the work under this Contract, except for the Contractor's fee and royalties or other income accruing to the Contractor from technology transfer activities in accordance with this Contract, shall be Government property and shall be processed and accounted for in accordance with applicable requirements imposed by the CO pursuant to Section I clause, DEAR 970.5204-2, *Laws, Regulations, and DOE Directives*, and to the extent consistent with those requirements, shall be made available for payment of allowable costs under this contract, unless otherwise directed by the CO.
  - (c) Direct Payment of Charges. The Government reserves the right, upon 10 days of written notice from the CO to the Contractor, to pay directly to the persons concerned, all amounts due which otherwise would be allowable under this Contract. Any payment so made shall discharge the Government of all liability to the Contractor.
  - (d) Determining Allowable Costs. The CO shall determine allowable costs in accordance with FAR Subpart 31.2, *Contracts with Commercial Organizations*, and DEAR Part 931, *Contract Cost Principles and Procedures*, in effect on the date of this Contract and other provisions of this Contract.
  - (e) Certification and Penalties. The Contractor shall prepare and submit a "Final Indirect Rate Proposal" in accordance with Section I clause FAR 52.216-7, *Allowable Cost and Payment*, and DEAR 952.216-7, *Allowable Cost and Payment*, for the total of net expenditures incurred for the period covered by the Cost Statement. It is anticipated that this will be an annual submission unless otherwise agreed to by the CO. The Contractor shall certify the Cost Statement subject to

the penalty provisions for unallowable costs as stated in sections 306(b) and (i) of 41 U.S.C. 256, as amended.

## H.68 Mentor-Protégé Program

Both DOE and the Small Business Administration (SBA) have established Mentor-Protégé Programs to encourage Federal prime contractors to assist small businesses, firms certified under Section 8(a) of the *Small Business Act* by the SBA, other small disadvantaged businesses, women-owned small businesses, historically black colleges and universities and minority institutions, other minority institutions of higher learning, and small business concerns owned and controlled by service-disabled veterans in enhancing its business abilities. At the completion of the Contract Transition Period and continuing throughout the Contract period of performance, the Contractor shall mentor at least two (2) active Protégé companies through the DOE and/or SBA Mentor-Protégé Programs. Mentor and Protégé firms will develop and submit “lessons learned” evaluations to DOE at the conclusion of the Contract.

- (a) DOE Mentor-Protégé Agreements shall be in accordance with DEAR Subpart 919.70, *The Department of Energy Mentor-Protégé Program*.
- (b) SBA Mentor-Protégé Agreements shall be in accordance with applicable SBA regulations.

## H.69 Counterintelligence Site Specific Requirements

Pursuant to Executive Order 12333, *United States Intelligence Activities*, and DOE procedures for intelligence activities, it is DOE policy to protect programs, resources, facilities, and personnel from intelligence collection by or on behalf of international terrorists, foreign powers, or entities and related threats through implementation of an effective, efficient Counterintelligence (CI) Program. CRD O 475.1, *Counterintelligence Program* (current version), reflects the current CI Program scope and requirements. These requirements are set forth locally in the Site Counterintelligence Support Plan (SCSP). The local CI Program is managed and administered by the Headquarters DOE Office of Intelligence and Counterintelligence, Directorate of Counterintelligence, Pacific Northwest Field Office with the assistance of DOE organizations, and contractors as identified in the SCSP. The Contractor shall fulfill the requirements of the SCSP.

## H.70 Withdrawal of Work

- (a) DOE may, at its option and during the performance of this Contract, unilaterally have any of the work contemplated by Section C, *PWS*, of this Contract performed by either another contractor or to have the work performed by Government employees.
- (b) Work may be withdrawn:
  - (1) In order for the Government to conduct pilot programs;
  - (2) If the Contractor’s estimated cost of the work is considered unreasonable;
  - (3) For less than satisfactory performance by the Contractor; or
  - (4) For any other reason deemed by the CO to be in the best interests of the Government.
- (c) If the withdrawn work has been authorized under the PMB for the current year, the work shall be terminated in accordance with the procedures in the Section I clause FAR 52.249-6, *Termination (Cost-Reimbursement)*.

- (d) If any work is withdrawn by the CO, the Contractor agrees to fully cooperate with the new performing entity and to provide whatever support is required.
- (e) Limitations of this clause: DOE and the Contractor recognize that under the terms of this Section H clause entitled, *Withdrawal of Work*, and Section I clause FAR 52.243-2, *Changes – Cost-Reimbursement*, DOE has the right to modify this PWS and Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*. In order to minimize the impact on existing work being performed, DOE and the Contractor agree to negotiate a reasonable Transition Period for each change in which a portion of the PWS is withdrawn from this contract and awarded or assigned to an entity other than the Contractor. The Hanford Site services listed in the Interface Requirements Matrix are not GFS/I and carry no DOE guarantee for delivery or quality.

## H.71 Use of Commercial Lease Space and Mobile Offices

- (a) **Use of Commercial Lease Space.** The Contractor's acquisition of real property (i.e., leasing commercial space) must be conducted in accordance with applicable federal laws and regulations. Hanford Site Contracts include clause DEAR 952.217-70, *Acquisition of Real Property*. The policy associated with clause DEAR 917.74, *Acquisition, Use, and Disposal of Real Estate*, references that "acquisitions shall be justified with documentation." In addition, FAR 31.205-36, *Rental Costs*, requires contractors to meet requirements applicable for the cost of renting or leasing real property. Lease packages submitted to DOE for approval, as required by DEAR 952.217-70, shall provide adequate information to meet the requirements set forth herein (e.g., market survey, cost per usable square foot, and total costs). This includes meeting federal sustainability guiding principles, building efficiency requirements, space utilization requirements, and recording acquisitions in the Facility Information Management System (FIMS).
  - (1) The Contractor shall:
    - (i) Record planned real property acquisitions in real property planning documentation and in the FIMS Anticipated Asset Information Module, regardless of the acquisition method or funding source;
    - (ii) Ensure newly constructed, renovated, or newly leased building area designated for office use does not exceed the DOE's office space design standard (an average of 180 square feet of usable area per person), regardless of predominant use of the building unless otherwise approved by DOE; and
    - (iii) Ensure that acquisition by lease, except when otherwise exempt, complies with the lease scoring requirements of the OMB.
  - (2) The following list of requirements applies when submitting a lease approval package to the applicable DOE CO. The CO will submit the final packet (Transmittal Letter, Lease Justification and Lease Agreement) to DOE for review and concurrence. The lease approval package shall demonstrate how the requirements listed below were met within the "Justification" narrative of the final submittal.
  - (3) The items listed below are DOE's requirements for lease acquisitions above 12,000 usable square feet. For lease acquisitions below 12,000 usable square feet, providing evidence that competition was sought and the type of method used (i.e., adequate advertisement to potential interested parties did occur), is not required.

- (4) DOE has authority for acquisition of real property for cost reimbursable contracts on the Hanford Site. As such, sole-source justifications must be approved by DOE prior to the Contractor beginning negotiations with a landlord.
- (5) The Contractor shall:
- (i) Identify the need and reason for the lease space being pursued and its physical location. Confirm no other Government space was available for use.
  - (ii) Explain the delineated area for lease acquisition (especially if there are limitations on the desired physical location of the space). Define the type, size and specific requirements of space needed.
  - (iii) Provide evidence that competition was sought and the type of method used (i.e., adequate advertisement to potential interested parties did occur).
  - (iv) Record/document that a solicitation for offers was issued, and to whom.
  - (v) Conduct market surveys.
  - (vi) Disseminate, collect, and review responses to the RFPs.
  - (vii) Conduct negotiations based on proposals received.
  - (viii) Identify the Lessor of choice based on the acceptable offer (i.e., lowest price per square foot or the offer that is most beneficial to the Government). Include a cost analysis (table) of terms and options, which identifies costs per usable square foot and total costs.
  - (ix) Reference the market analysis tools used (e.g., independent market survey, analysis, or formal appraisal by a licensed State of Washington appraiser) to determine fair market value.
  - (x) Lease Language:
    - (A) No termination clause longer than 365 days.
    - (B) Negotiate the best deal with the shortest escape clause possible.
    - (C) Include provisions for reassignment of the lease to DOE or its contractors.
- (6) Make every effort to acquire Leadership in Energy and Environmental Design (LEED) facilities during the Real Property Lease Acquisition process. When soliciting space for Real Property Lease Acquisitions, indicate that a preference for LEED certified facilities will be given during the review of proposals. There are four LEED standards: Certified, Silver, Gold, and Platinum. The DOE preference is the Silver level or higher. Documentation of the effort to acquire LEED space at a standard through the advertisement and solicitation process is required within the Justification/Background narrative of Contractor Final Lease Packet Submittals.
- (7) Leases shall be competed with adequate advertising, while making a solicitation for offer specific for acquisition of real property to potential interested parties, unless it is an RFP for service.
- (8) If the Contractor believes it is in the best interest of the Government not to compete lease renewals for facilities they reside within and want to pursue a sole source opportunity, it shall:

- (i) Prepare a sole-source justification to demonstrate that a renewal is in the best interest of the Government, as opposed to advertising and sending out a solicitation for offer to seek competition.
  - (ii) Provide the DOE Certified Realty Specialist (in advance), via the CO, with a sole-source justification for approval, prior to beginning negotiations with a landlord.
  - (iii) Present a narrative justification that includes associated cost analysis information specific to the stated need, while also including market survey information specific to the requirement for space the Contractor is trying to fill.
  - (iv) Conduct a market survey specific to the function, size and operational need.
  - (v) Include sole-source justification documentation while identifying comparable facilities.
  - (vi) Requirements for the acquisition of real property will still apply, except those specific to competition and advertising.
- (b) **Use of Mobile Offices.** A mobile office rented or leased is procured as personal property and in most cases is installed and considered real property for its usable life. The Contractor shall obtain DOE approval, to include a review by the DOE Realty Specialist, to rent, lease or purchase a mobile office if the term is for more than one year. Mobile offices are to be treated as real property to capture maintenance costs consistently on the Hanford Site.
- (1) The Contractor shall adhere to the following:
- (i) Submit requests to rent, lease or purchase mobile offices for more than one (1) year to DOE for review and approval.
  - (ii) Unless there are exigent circumstances, DOE's review and approval is needed to allow any rented/leased mobile office to be placed north of the Wye Barricade.
  - (iii) Unless there are exigent circumstances, DOE's review and approval is needed if a mobile office is rented or leased for one year or less regardless of where they will initially be placed on the Hanford Site.

## H.72 Hanford Site Recreation Policy

The Contractor shall comply with the Hanford Site Recreation Policy, as updated by DOE.  
The Contractor shall flow down applicable requirements of this Clause to any subcontractors.

## H.73 Hanford Site Services and Interface Requirements Matrix

- (a) **Controls.** When services between prime contractors are offered and accepted, the DOE does not expect the requesting prime contractor to review or otherwise validate top-level cross-cutting quality control, health, safety and/or environmental protection requirements mandated by the performing contractor's contract. The requesting prime contractor may assume that such contract requirements (e.g., Quality Program/Plan) are acceptable to DOE. The performing contractor shall provide products or services in a manner that is consistent with the requirements of the performing prime contractor's contract and the task instructions provided by the requesting contractor. Special conditions required to meet the requesting contractor's requirements shall be documented through interface documents.

- (b) **Right of Access.** Hanford Site Contractors shall, with coordination and adequate preparation, allow service-providing contractors access to facilities to perform the service.
- (c) **Nuclear Safety.** The Contractor shall establish a protocol with each Hanford Site contractor identified in Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*; this protocol shall establish the basis to perform contract work scope within a nuclear facility, or perform work scope that affects the safety basis of a nuclear facility, that is operated by the Hanford Site contractor who has responsibility for the nuclear facility.

The protocol shall:

- Describe the general scope of work to be performed, flow down of nuclear safety requirements, and implementing processes and procedures for DOE approval prior to transition.
- Be signed by the Contractor and concurred with by the other affected contractor. Any new or future protocols or updates shall be submitted to DOE for approval.

The Contractor shall:

- Comply with all facility safety authorization basis and nuclear safety requirements that are established by the Hanford Site contractor responsible for the nuclear facility.
  - Flow down to each subcontractor (in accordance with the Section I clause DEAR 970.5223-1, *Integration of Environment, Safety and Health in to Work Planning and Execution*), the protocol to comply with all facility safety authorization basis and nuclear safety requirements that are established by the contractor responsible for the nuclear facility.
- (d) **Payment of Services.** Fee-for-Service providers shall provide to DOE and make available to the user the basis for liquidation of the charge for usage-based services. The service rates shall be based on customer service level forecasts.
- (e) **Responsibility for Delivery of Service.** The Government makes no guarantees or warranties regarding the delivery of services, and services between contractors shall not constitute GFS/I. The Government shall not be held responsible for the delivery or non-delivery of services between Hanford Site contractors. Contractors shall attempt to resolve disputes regarding service interfaces and the provision of services among themselves. If contractors are unable to achieve a timely resolution of issues between themselves regarding interfaces or the appropriate delivery of services, contractors may seek direction from the CO. DOE shall be the exclusive authority for resolving disputes associated with interface issues that cannot be resolved between parties in a timely manner. To the extent contractors attempt to litigate disputes between themselves regarding interfaces or the appropriate delivery of services, the costs associated with such litigation shall be unallowable under this Contract.
- (f) **Direct Funded and Usage Based Services Not Commercial Items.** Unless specified otherwise by the CO, all “Direct Funded” and “Usage Based” Services (UBS) (see Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*), including all Information Technology and Management services, under this Contract are unique to the Hanford Site, and are not “commercial items” as defined by FAR 2.101. The Contractor shall not perform or arrange for the performance of UBS by means of any process reserved for the acquisition of commercial items without first receiving written approval from the DOE CO expressly stating that a particular UBS to be acquired meets the FAR 2.101 definition of a “commercial item.”

## H.74 Emergency Procedures

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

## H.75 Transformational Energy Action Management (TEAM) Initiative

The Contractor shall provide full and open access to the maximum extent practicable to DOE contracted Energy Service Companies (ESCO) under Energy Savings Performance Contracts (ESPC), facilitate onsite assessments of opportunities to improve the Site's energy efficiency, water reduction and renewable energy improvements, and shall provide assistance in reviewing ESCO recommendations. The Contractor shall define requirements necessary to be placed in ESPCs and participate in the creation of ESPCs. The Contractor shall ensure ESCO personnel are granted access pursuant to contractual requirements; monitor ESCO activities to ensure that site safety and security requirements are adhered to; promptly provide information requested by ESCO personnel to assist them in developing viable recommendations; and, assist in the monitoring and execution of ESPC projects. When an ESCO is working in facilities under the control of the contractor, the ESCO shall work under the facility contractor's work control and safety program.

## H.76 Shipment Notification

- (a) The Contractor and/or Subcontractors shall notify Energy Northwest seven (7) days in advance (1) of movement of "common" explosives over 1,800 pounds excluding small arms ammunitions or classified shipments within five (5) miles of Energy Northwest and/or, (2) of any railroad shipment from/to Hanford north of the rail spur to the Fast Flux Test Facility.
- (b) For EM radioactive material/waste shipments by motor carrier and/or rail, the additional security measures described below shall be implemented. Documentation that the security measures were performed shall be maintained with the shipping papers.
  - (1) Additional Security Measures to be Implemented for Motor Carriers transporting Radioactive Material/Waste Shipments:
    - (i) Verify and document that site security plans require drivers entering the facility for loading/unloading of shipments to sign in at the security gate and be escorted to the loading/unloading location unless a security badge has been issued.
    - (ii) Verify and document the name of the drivers, who will be entering DOE facilities to pick up shipments to be used for commercial shipments, are on the list provided by the motor carrier.
    - (iii) Verify and document the motor carriers to be used have provided documentation that all drivers meet the personal security requirements addressed in the U.S. Department of Transportation's Security Sensitive Visits.

- (iv) Obtain copies of documentation from the carriers that all drivers are citizens of the United States.
- (v) Verify the drivers have a Commercial Driver's License, with proper hazardous materials endorsements, and attach a copy to the shipment documentation to be kept on file for each shipment.
- (vi) Verify and document the carriers utilize satellite tracking and/or maintains cellular telephone contact with the driver, including the requirement that the driver must contact carrier dispatch at regular intervals.
- (vii) Require security staff to perform and document per-loading equipment inspections to avoid explosive and other devices as detailed in Measure 18 of CRD Notice 473.9 (Supplemented Rev. 0), *Security Conditions*.

NOTE: DOE Notice, Measure 18. Implement screening procedures for other deliveries at designated inspection points to identify explosives and incendiary devices. Use canine (K-9) teams for inspections, when available. Instruct Site personnel to report suspicious packages to Security and refrain from handling them until cleared by appropriate authority.

- (viii) Provide the drivers a briefing and a copy of written instructions regarding en route shipment security measures to be taken. Ensure the drivers can read and understand the instructions provided and have the driver sign a copy of the instructions. Attach signed and dated copy of the instructions to the shipment documentation to be kept on file.
  - (ix) Request consignee notification of receipt of shipments.
- (2) Additional security measures to be implemented for rail carriers transporting radioactive material/waste shipments:
- (i) Obtain a copy of the rail carrier's security plan. Ensure the plan identifies communications links, frequency of communication, and points of contact information for security-related emergencies.
  - (ii) Implement a mechanism to be notified by the carrier should cars/train encounter any unexpected occurrences en route. Ensure the rail carrier has access to the information.
  - (iii) Require security staff to perform and document pre-loading equipment inspections to avoid explosive and other as detailed in Measure 18 of CRD Notice 473.9 (Supplemented Rev. 0), *Security Conditions*.

NOTE: DOE Notice, Measure 18. Implement screening procedures for other deliveries at designated inspection points to identify explosives and incendiary devices. Use K-9 teams for inspections, when available. Instruct site personnel to report suspicious packages to Security and refrain from handling them until cleared by appropriate authority.

- (iv) Verify and document the rail carrier has a communication system (through central dispatch consignee notification of arrival cars/trains).
- (v) Request consignee notification of arrival of cars/trains.



## H.77 Overtime Control Reporting

No overtime premium is authorized other than as specified in FAR 52.222-2. Overtime premium authorized per FAR 52.222-2 will not be considered a CO determination of overtime reasonableness or cost allowability.

Notwithstanding any other provision in this Contract, the Contractor shall submit an Overtime Justification Report of the overtime hours worked to the CO six (6) months after contract execution start and annually thereafter no later than November 30 of each year. Overtime Justification Reports shall be reported, at a minimum, by Common Occupational Classification System sub-codes, differentiate between premium and non-premium overtime, and provide sufficient detail to demonstrate all three (3) of the following:

- (1) Compliance with provisions set forth in FAR 52.222-2;
- (2) All other alternatives to overtime were evaluated prior to working overtime and found inadequate or not feasible; and
- (3) Overtime hours worked were in the best interest of the Government.

The Overtime Justification Report will be used to assist the CO in determining reasonableness and cost allowability.

## H.78 Organizational Conflict of Interest Between Hanford Site Contracts

Performance of the Contract will be limited throughout the Contract period of performance to a Contractor that is not concurrently performing the Plateau Remediation Contract (PRC), the Tank Operations Contract (TOC), the Waste Treatment and Immobilization Plant (WTP) Contract, the Occupational Medical Services Contract (OccMed), the 222-S Analytical Laboratory Services Contract (222-S Lab), or other future Hanford contracts with those work scopes.

This Contract limitation applies to member(s) of a contractor team arrangement as described in FAR 9.601(1), *Contractor Team Arrangements*, and any parents, affiliates, or subsidiaries of the teaming member(s), concurrently performing the PRC, TOC, WTP, OccMed, 222-S Lab work scopes (either as a prime contractor or subcontractor), or other future Hanford contracts with those work scopes.

This Contract limitation also applies to subcontractor(s) performing work under the Safeguards and Security; Emergency Operations; Strategic Planning, Governance, Enterprise Architecture, and Program Management; Cyber Security; Records Management; Environmental Regulatory Management; Environmental Permits and Compliance; and Hanford Portfolio Analysis, Project Support, and Independent Assessment work scopes who are concurrently performing the PRC, TOC, WTP Contract, OccMed Contract, 222-S Lab Contract, or other future Hanford contracts with those same work scopes consistent with the below (Table H-5).

Table H-5. CO Identification of Actual Impaired Objectivity OCIs within the HMESC

Section C Entitled	PRC	TOC	WTP	OccMed	222-S
Safeguards and Security*	X	X	X	X	X
Emergency Operations	X	X	X	X	X
Strategic Planning, Governance, Enterprise Architecture, and Program Management;	X	X	N/A	X	X
Cyber Security*	X	X	N/A	X	X
Records Management*	X	X	N/A	X	X

Environmental Regulatory Management*	X	X	X	N/A	X
Environmental Permits and Compliance	X	X	X	N/A	X
Hanford Portfolio Analysis, Project Support, and Independent Assessment*	X	X	X	X	X
<p>* Includes all lower level sub-elements in the identified PWS.</p> <div style="display: flex; justify-content: space-between;"> <div> <p>222-S = 222-S Analytical Laboratory Services Contract</p> <p>CO = Contracting Officer</p> <p>HMESC = Hanford Mission Essential Services Contract</p> <p>OCI = Organizational Conflict of Interest</p> </div> <div> <p>OccMed = Occupational Medical Services Contract</p> <p>PRC = Plateau Remediation Contract</p> <p>PWS = Performance Work Statement</p> <p>TOC = Tank Operations Contract</p> <p>WTP = Waste Treatment and Immobilization Plant</p> </div> </div>					

## H.79 Organizational Conflict of Interest – Affiliate (s)

The prime contractor, Hanford Mission Integration Solutions, LLC comprised of Leidos Integrated Technology, LLC, Centerra Group, LLC, and Parsons Government Services Inc, is responsible for the completion of all aspects of this contract. In order to effectively and satisfactorily execute its responsibility to manage and accomplish the contract work, the prime contractor must have complete objectivity in its oversight and management of its subcontractors. Therefore, consistent with the principle contained in Federal Acquisition Regulation subpart 9.5 and specifically section 9.505(a), and notwithstanding any other provision of this Contract, the prime contractor is, absent prior written consent from the CO as provided herein, prohibited from entering into a subcontract arrangement with any affiliate or any affiliate of its partners, or utilize any affiliate or affiliate of its partners, to perform work under a subcontract. Such contractual relationship(s) are presumed to create an impaired objectivity type conflict of interest. If the contractor believes the capabilities of an affiliate could be utilized in such a manner as to neutralize or avoid the existence of an organizational conflict of interest, the Contractor must obtain the CO's written consent prior to before placing the subcontract.

For the purpose of this clause, affiliation occurs when a business concern is controlled by or has the power to control another or when a third party has the power to control both.

## H.80 Task Ordering Procedures

Performance under the IDIQ CLINs 0007, 1007, 2007 - Infrastructure Reliability Projects and CLINs 0008, 1008, 2008 - DOE Small Business Procurement Post-Award Support and Other Directed Work Scope, shall be subject to the following task ordering procedure:

- (a) Work under these CLINs shall only be performed after a task order or modification is issued in accordance with this task ordering procedure. All costs for work associated with these CLINs shall be allocable only to task orders and modifications issued as described therein.
- (b) Request for task proposals will be issued in writing by the CO, may include notice to proceed, and will include the following information:
  - (1) Performance-Based Statement of Work;
  - (2) Task Order Deliverables;
  - (3) The Task Order type;
  - (4) The anticipated performance period;
  - (5) Authorized travel;
  - (6) Government-furnished property;

- (7) Task Order Proposal instructions including a proposal response time;
  - (8) Applicable, additional clauses depending on the task order type; and
  - (9) Other pertinent information.
- (c) The Contractor's task proposal for Firm-Fixed-Price task orders shall include:
- (1) Date of commencement of work and any necessary revision to the schedule of performance stipulated by the Government. The Contractor may submit a schedule of milestones for which it may be reimbursed by the Government after the successful completion of each milestone.
  - (2) A total firm-fixed-price for the completion of the work described in the PWS of the task order by the schedule of performance stipulated by the Government. The firm-fixed-price proposed by the Contractor shall incorporate all anticipated costs including fully-burdened labor, travel, and other direct costs.
- (d) The Contractor's Task Proposal for Time-and-Materials task orders shall include:
- (1) Date of commencement of work and any necessary revision to the schedule of performance stipulated by the Government;
  - (2) Direct Productive Labor Hours (DPLH), on a monthly basis by applicable labor category and labor resource codes consistent with the DOE *Environmental Restoration/Waste Management Activities Common Occupational Classification System*, and the total labor hours, including those in (5) below, estimated to be necessary to complete the task;
  - (3) Fully-burdened (including profit) labor rates proposed for the task order. The fully-burdened labor rates shall be developed using the Contractor's current forward pricing rates, with profit identified as a separate element for each labor category;
  - (4) The estimate for travel, materials, and other direct costs;
  - (5) An estimate for subcontractors and consultants, including DPLH, if applicable;
  - (6) Other pertinent information (e.g. material handling costs minimum position qualifications); and
  - (7) The proposed ceiling price for completion of the task order.
- (e) The Contractor's Task Proposal for Cost Reimbursement type task orders (e.g., CPAF, CPIF, CPFF) shall include the information as requested in the Request for Task Proposals.
- (f) The awarded task order will be issued bilaterally, and will include, but is not limited to, the following information:
- (1) Date of the order;
  - (2) Contract and Task Order numbers;
  - (3) Performance-Based Statement of Work, including references to applicable specifications;
  - (4) Task Order Performance Period;
  - (5) Task Order deliverables;
  - (6) Any property, material, or site support to be made available for performance of the task order (GFS/I);

- (7) The total negotiated fixed price, ceiling price, or estimated cost and fee of the task order, and appropriate cost/price breakout for the specific task order type, if applicable;
  - (8) Obligated amount, accounting and appropriation data;
  - (9) The names, addresses, and phone numbers of the applicable CO and COR as well as any other necessary points of contact; and
  - (10) Any other pertinent information deemed necessary to the performance of the order.
- (g) Task orders will be issued on forms specified and provided by the Government. Task orders will be numbered.
- (h) The Contracting Officer may issue an undefinitized task order. The undefinitized task order will include the information described in paragraphs (b). The undefinitized task order may be issued unilaterally and will include:
- (1) A definitization schedule including a proposal response time; and
  - (2) A requirement to establish separate accounting for the undefinitized action.