AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE 1 OF PAGES 29

2. AMENDMENT/MODIFICATION NO. 0865

3. EFFECTIVE DATE See Block 16C

4. REQUISITION/PURCHASE REQ. NO. 20EM000522

5. PROJECT NO. *(If applicable)*

6. ISSUED BY CODE 893039

Richland Operations Office
U.S. Department of Energy
Richland Operations Office
P.O. Box 550, MSIN H5-20
Richland WA 99352

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

Richland Operations Office
U.S. Department of Energy
Richland Operations Office
P.O. Box 550, MSIN H5-20
Richland WA 99352

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

MISSION SUPPORT ALLIANCE, LLC
Attn: ROBERT MILLER
POST OFFICE BOX 650
RICHLAND WA 99352

CODE 010605464 FACILITY CODE

(x) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED *(SEE ITEM 11)*

x 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-09RL14728

10B. DATED *(SEE ITEM 13)* 04/28/2009

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

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

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*
See Financial Plan Detail Report 20-216-A Net Increase: $26,594,771.77

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

CHECK ONE	
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: *(Specify authority)* THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES *(such as changes in paying office, appropriation data, etc.)* SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER *(Specify type of modification and authority)* B.3 Obligation and Availability of Funds

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

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

In accordance with contract clause B.3, Obligation and Availability of Funds, this modification revises Section B.3(a) Obligation of Funds - Direct Funding. The amount of obligated funds is hereby increased by $26,594,771.77 from $3,199,629,128.65 to $3,226,223,900.42. Obligated funds of $3,226,223,900.42 have been allotted for obligation and are available for payment of services provided from the effective date of this Contract through May 25, 2020.

Attachments:
Attachment 1 - Changes Page
Attachment 2 - Conformed copy of Section B
Attachment 3 - Financial Plan Detail Report 20-216-A
Continued ...

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

15A. NAME AND TITLE OF SIGNER *(Type or print)*

16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*
Timothy E. Corbett

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

15C. DATE SIGNED

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

16C. DATE SIGNED 1/21/2020

NAME OF OFFEROR OR CONTRACTOR
MISSION SUPPORT ALLIANCE, LLC

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	There are no other changes to the terms and conditions of the contract. Payment: FOB: Destination Period of Performance: 05/26/2009 to 05/25/2020				

The following revisions are included with this modification:

from:

(a) Obligation of Funds - Direct Funding. Pursuant to the Section I Clause entitled, *FAR 52.232-22, Limitation of Funds,* total funds in the amount of $3,199,629,128.65 have been allotted for obligation and are available for payment of services provided from the effective date of this Contract through May 25, 2020.

to:

Obligation of Funds - Direct Funding. Pursuant to the Section I Clause entitled, *FAR 52.232-22, Limitation of Funds,* total funds in the amount of $3,226,223,900.42 have been allotted for obligation and are available for payment of services provided from the effective date of this Contract through May 25, 2020.

PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

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PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 TYPE OF CONTRACT

This is a performance-based Cost-Plus-Award Fee Contract for services to directly support the environmental clean-up mission at the U.S. Department of Energy (DOE) Hanford Site, with a fee structure that provides a strong financial motivation for the Contractor to furnish safe, compliant, cost-effective and energy-efficient services.

B.2 ITEM(S) BEING ACQUIRED

The Contractor shall, in accordance with the terms of this Contract, provide the personnel, equipment, materials, supplies, and services and do all things necessary for, or incident to, providing its best efforts to manage, operate, and deliver mission support services.

B.3 OBLIGATION AND AVAILABILITY OF FUNDS

(a) Obligation of Funds - Direct Funding. Pursuant to the Section I Clause entitled, *FAR 52.232-22, Limitation of Funds,* total funds in the amount of $3,226,223,900.42 have been allotted for obligation and are available for payment of services provided from the effective date of this Contract through May 25, 2020.

(b) Availability of Funds. Except as may be specifically provided in the Section I Clause entitled, *DEAR 952.250-70, Nuclear Hazards Indemnity Agreement*, the duties and obligations of DOE hereunder calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the U.S. Congress that DOE may legally spend for such purposes.

(c) Other Hanford Contractors (OHCs) User Based Services (UBS). As discussed in Clause H-44, Hanford site services interface requirements matrix, UBS is received from OHCs for services provided by the Contractor. OHCs provide reimbursement of these services at full cost recovery (exclusive of fee). OHC UBS is not included in the funding amounts specified in (a) above. OHC payment for UBS services shall be recognized by the Contractor as Revenue.

B.4 CONTRACT COST AND CONTRACT FEE

This Section establishes the estimated Total Contract Cost and Contract Fee.

Table B.4-1, Contract Cost and Contract Fee, identifies the *Estimated Direct Funded Contract Cost, Estimated OHC UBS Cost, Available Award Fee, Contract Price, Estimated OHC UBS Revenue,* and *Direct Funded Contract Price*. This table does not reflect costs associated with Portfolio Management Task Orders or Work for Others, as defined in Statement of Work Sections

C.2.5.3 and C.3.8 (respectively), which are reflected in Tables B.4-2.a and B.4-2.b, below.

Definitions for Table B.4-1 are:

(a) *Estimated Direct Funded Contract Cost* is defined as all costs (including Contractor self-purchased UBS costs) initially proposed by the Contractor for base statement of work (excluding costs identified in Tables B.4-2.a and B.4-2.b) and approved contract modifications.

(b) *Estimated OHC UBS Cost* is defined as the cost of UBS services required by the OHCs in accordance with Section J-3 *Hanford Site Services and Interface Requirements Matrix* and performed by the Contractor as specified in B.3(c).

(c) *Available Award Fee* is defined as the maximum amount of award fee that may be earned under the Contract. Total Available Award Fee is applicable to direct funded and OHC UBS work scope as addressed in the Section J Attachment J-4 entitled *Performance Evaluation and Measurement Plan*. Available award fee for each fiscal year is allocated in accordance with B.7 Fee Structure.

(d) *Contract Price* is defined as the sum of *Estimated Direct Funded Contract Cost*, *Estimated OHC UBS Cost*, and *Available Award Fee (allocated each fiscal year)*

(e) *Estimated OHC UBS Revenue* is defined as the estimated funds to be received from OHCs for UBS.

(f) *Direct Funded Contract Price* is defined as the *Contract Price* less the *Estimated OHC UBS Revenue* as specified in B.3(a) Obligation of Funds.

Table B.4-1, Contract Cost and Contract Fee

Contract Period	**Elements of Estimated Contract Cost and Contract Fee**					
Year of Performance	**Estimated Direct Funded Cost** **(a)**	**Estimated OHC UBS Cost** **(b)**	**Available Award Fee** **(c)**	**Estimated Contract Price** **(d)**	**Estimated OHC UBS Revenue** **(e)**	**Estimated Direct Funded Contract Price** **(f)**
Transition Period*	$6,203,827.00	$0.00	$0.00	$6,203,827.00	$0.00	$6,203,827.00
***Transition Period Costs are included in FY2009 costs**						
Base Period						
Fiscal Year 2009	$28,409,658.00	$5,107,928.00	$1,964,317.00	$35,481,903.00	($5,107,928.00)	$30,373,975.00
Fiscal Year 2010	$296,952,390.00	$134,041,493.00	$20,422,025.00	$451,415,908.00	$(134,041,493.00)	$317,374,415.00
Fiscal Year 2011	$277,738,679.00	$168,232,316.00	$26,164,766.00	$472,135,761.00	$(168,232,316.00)	$303,903,445.00
Fiscal Year 2012	$250,004,284.00	$91,837,218.00	$21,226,918.00	$363,068,420.00	$(91,837,218.00)	$271,231,202.00
Fiscal Year 2013	$321,405,547.00	$85,074,223.00	$21,030,647.00	$427,510,417.00	$(85,074,223.00)	$342,436,194.00
Fiscal Year 2014	$187,724,694.00	$33,461,011.00	$12,130,099.00	$233,315,804.00	($33,461,011.00)	$199,854,793.00

Total Base Period	**$1,362,235,252.00**	**$517,754,189.00**	**$102,938,772.00**	**$1,982,928,213.00**	**($517,754,189.00)**	**$1,465,174,024.00**
Option Period(s)						
Option Period 1						
Fiscal Year 2014	$96,503,198.00	$20,074,957.00	$6,856,390.00	$123,434,545.00	($20,074,957.00)	$103,359,588.00
Fiscal Year 2015	$297,348,012.00	$72,703,914.00	$21,043,816.00	$391,095,742.00	($72,703,914.00)	$318,391,828.00
Fiscal Year 2016	$282,441,350.00	$82,635,068.00	$21,102,775.00	$386,179,193.00	($82,635,068.00)	$303,544,125.00
Fiscal Year 2017	$197,833,650.00	$70,245,452.00	$14,457,708.00	$282,536,810.00	($70,245,452.00)	$212,291,358.00
Total Option Period 1	**$874,126,210.00**	**$245,659,391.00**	**$63,460,689.00**	**$1,183,246,290.00**	**($245,659,391.00)**	**$937,586,899.00**
Option Period 2						
Fiscal Year 2017	$97,818,130.00	$38,232,091.00	$7,230,829.00	$143,281,050.00	($38,232,091.00)	$105,048,959.00
Fiscal Year 2018	$300,231,023.00	$113,316,618.00	$22,230,755.00	$435,778,396.00	($113,316,618.00)	$322,461,778.00
Fiscal Year 2019	$211,961,814.00	$76,710,896.00	$14,621,351.00	$303,294,061.00	($76,710,896.00)	$226,583,165.00
Total Option Period 2	**$610,010,967.00**	**$228,259,605.00**	**$44,082,935.00**	**$882,353,507.00**	**($228,259,605.00)**	**$654,093,902.00**
Total Option Period(s)	**$1,484,137,177.00**	**$473,918,996.00**	**$107,543,624.00**	**$2,065,599,797.00**	**($473,918,996.00)**	**$1,591,680,801.00**
Extension Period(s)						
Extension Period 1						
May 26, 2019 through September 30, 2019	$133,842,974.00	$46,952,289.00	$8,612,281.00	$189,407,544.00	($46,952,289.00)	$142,455,255.00
October 1, 2019 through November 25, 2019	$59,392,345.00	$22,127,853.00	$3,700,036.00	$85,220,234.00	($22,127,853.00)	$63,092,381.00
Total Extension Period 1	**$193,235,319.00**	**$69,080,142.00**	**$12,312,317.00**	**$274,627,778.00**	**($69,080,142.00)**	**$205,547,636.00**
Extension Period 2						
November 26, 2019 through May 25, 2020	$68,400,000.00	$26,600,000.00	$0.00	$95,000,000.00	($26,600,000.00)	$68,400,000.00
Total Extension Period 2	**$68,400,000.00**	**$26,600,000.00**	**$0.00**	**$95,000,000.00**	**($26,600,000.00)**	**$68,400,000.00**
Total Extension Period(s)	**$261,635,319.00**	**$95,680,142.00**	**$12,312,317.00**	**$369,627,778.00**	**($95,680,142.00)**	**$273,947,636.00**
Total Contract	**$3,108,007,748.00**	**$1,087,353,327.00**	**$222,794,713.00**	**$4,418,155,788.00**	**($1,087,353,327.00)**	**$3,330,802,461.00**

Table B.4-2.a defines the estimated contract price for work performed as part of Section C.2.5.3 Portfolio Management that is ordered by task order. Each Portfolio Management Task Order (PMTO) is individually priced. The amounts defined in Table B.4-2.a do not invoke the provisions of Clause B.5 for fee adjustments, as fee is determined on each task order.

Definitions for Table B.4-2.a are:

(a) *Estimated PMTO Direct Funded Contract Cost* is defined as sum of the negotiated costs for PMTO work.

(b) *PMTO Fixed Fee* is defined as the sum of the negotiated fixed fee amounts for all PMTO work.

(c) *PMTO Price* is defined as the sum of *Estimated PMTO Direct Funded Contract Cost* and *PMTO Fixed Fee*, as specified in B.3(a) Obligation of Funds.

Table B.4-2.a, Task Order Cost and Contract Fee for Portfolio Management Task Orders (PMTO)			
Contract Period	**Elements of Estimated Contract Cost and Contract Fee**		
	Estimated Contract Cost (a)	**Estimated Fixed Fee (b)**	**Contract Price (c)**
	Base Period		
Fiscal Year 2009	$39,763.00	$ -	$39,763.00
Fiscal Year 2010	$ -	$ -	$ -
Fiscal Year 2011	$375,846.68	$24,911.00	$400,757.68
Fiscal Year 2012	$260,729.31	$933.00	$261,662.31
Fiscal Year 2013	$447,993.05	$2,926.00	$450,919.05
Fiscal Year 2014	$159,524.08	$9,635.90	$169,159.98
Total Base Period	**$1,283,856.12**	**$38,405.90**	**$1,322,262.02**
	Option Period 1		
Fiscal Year 2014	$110,041.92	$6,575.40	$116,617.32
Fiscal Year 2015	$451,156.86	$26,794.00	$477,950.86
Fiscal Year 2016	$76,250.01	$17,699.00	$93,949.01
Fiscal Year 2017	-$64,430.12	$ -	-$64,430.12
Total Option Period 1	**$573,018.67**	**$51,068.40**	**$624,087.07**
	Option Period 2		
Fiscal Year 2017	$142,248.57	$5,760.00	$148,008.57
Fiscal Year 2018	$448,076.85	$23,384.72	$471,461.57
Fiscal Year 2019	$350,502.19	$21,099.62	$371,601.81
Total Option Period 2	**$940,827.61**	**$50,244.34**	**$991,071.95**
Total Option Periods	**$1,513,846.28**	**$101,312.74**	**$1,615,159.02**
	Extension Period 1		
May 26, 2019 through September 30, 2019	$0.00	$0.00	$0.00
October 1, 2019 through November 25, 2019	$0.00	$0.00	$0.00
Total Extension Period 1	**$0.00**	**$0.00**	**$0.00**
	Extension Period 2		
November 26, 2019 through May 25, 2020	$0.00	$0.00	$0.00
Total Extension Period 2	**$0.00**	**$0.00**	**$0.00**
Total Extension Periods	**$0.00**	**$0.00**	**$0.00**
Total Contract	**$2,797,702.40**	**$139,718.64**	**$2,937,421.04**

Table B.4-2.b defines the estimated contract price for work performed under the Statement of Work Section C.3.8 Work for Others (WFO) in accordance with DEAR 970.5217-1 and DEAR 970.5232-6. This table also includes the estimated contract price for additional work within the general scope of the contract ordered by and authorized through a Request for Service (RFS). Each Request for Service order for additional work within the general work scope of the contract is individually priced. The amounts defined in Table B.4-2.b do not invoke the provisions of Clause B.5 for fee adjustments as fee is determined on each RFS or WFO.

Definitions for Table B.4-2.b are:

(a) *Estimated RFS and WFO Direct Funded Contract Cost* is defined as sum of the negotiated costs for RFS and WFO work.

(b) *RFS and WFO Fixed Fee* is defined as the sum of the negotiated fixed fee amounts for all RFS and WFO work.

(c) *RFS and WFO Price* is defined as the sum of *Estimated RFS and WFO Direct Funded Contract Cost* and *RFS and WFO Fixed Fee* as specified in B.3(a) Obligation of Funds.

Table B.4-2.b Request for Service and WFO			
Contract Period	**Elements of Estimated Contract Cost and Contract Fee**		
Year of Contract Performance	**Estimated Contract Cost**	**Estimated Fixed Fee**	**Contract Price**
Base Period			
Fiscal Year 2009	$ -	$ -	$ -
Fiscal Year 2010	$ -	$ -	$ -
Fiscal Year 2011	$ -	$ -	$ -
Fiscal Year 2012	$1,617,108.00	$121,188.00	$1,738,296.00
Fiscal Year 2013	$715,505.00	$52,308.00	$767,813.00
Fiscal Year 2014	$125,368.00	$11,345.00	$136,713.00
Total Base Period	**$2,457,981.00**	**$184,841.00**	**$2,642,822.00**
Option Period 1			
Fiscal Year 2014	$62,684.00	$5,673.00	$68,357.00
Fiscal Year 2015	$217,339.00	$17,695.00	$235,034.00
Fiscal Year 2016	$291,223.00	$22,278.00	$313,501.00
Fiscal Year 2017	$137,187.00	$15,142.00	$152,329.00
Total Option Period 1	**$708,433.00**	**$60,788.00**	**$769,221.00**
Option Period 2			
Fiscal Year 2017	$68,050.00	$8,130.00	$76,180.00
Fiscal Year 2018	$1,383,611.00	$46,239.00	$1,429,850.00
Fiscal Year 2019	$93,148.00	$12,379.00	$105,527.00

Total Option Period 2	**$1,544,809.00**	**$66,748.00**	**$1,611,557.00**
Total Option Periods	**$2,253,242.00**	**$127,536.00**	**$2,380,778.00**
Extension Period 1			
May 26, 2019 through September 30, 2019	$0.00	$0.00	$0.00
October 1, 2019 through November 25, 2019	$0.00	$0.00	$0.00
Total Extension Period 1	**$0.00**	**$0.00**	**$0.00**
Extension Period 2			
November 26, 2019 through May 25, 2020	$0.00	$0.00	$0.00
Total Extension Period 2	**$0.00**	**$0.00**	**$0.00**
Total Extension Periods	**$0.00**	**$0.00**	**$0.00**
Total Contract	**$4,711,223.00**	**$312,377.00**	**$5,023,600.00**

Table B.4-3 delineates the Total Available Award Fee Distribution as fee allocations, contract definitization, and final fee determinations are made for each fiscal year.

Table B.4-3, Available Award Fee Distribution (excluding Table B.4-2.a and Table B.4-2.b above)					
Contract Period					
	Available Fee as originally Awarded	**Fee associated with contract changes**	**Total Available Fee**	**Available Fee Earned & Paid**	**Fee Forfeited**
Base Period					
Fiscal Year 2009	$1,948,268.00	$16,049.00	$1,964,317.00		
Fiscal Year 2010	$20,261,987.00	$160,038.00	$20,422,025.00	$19,332,431.00	$3,053,911.00
Fiscal Year 2011	$25,327,484.00	$837,282.00	$26,164,766.00	$23,956,349.00	$2,208,417.00
Fiscal Year 2012	$21,275,349.00	($48,431.00)	$21,226,918.00	$19,099,251.00	$2,127,667.00
Fiscal Year 2013	$20,261,987.00	$768,660.00	$21,030,647.00	$19,352,402.00	$1,678,245.00
Fiscal Year 2014	$12,234,861.00	$(104,762.00)	$12,130,099.00	$10,553,429.00	$1,576,670.00
Total Base Period	$101,309,936.00	$1,628,836.00	$102,938,772.00	$92,293,862.00	$10,644,910.00
Option Period(s)					
Option Period 1					
Fiscal Year 2014	$6,701,089.00	$155,301.00	$6,856,390.00	$5,965,197.00	$891,193.00
Fiscal Year 2015	$20,630,771.00	$413,045.00	$21,043,816.00	$18,776,345.00	$2,267,471.00
Fiscal Year 2016	$20,081,355.00	$1,021,420.00	$21,102,775.00	$19,249,952.00	$1,852,823.00
Fiscal Year 2017	$13,755,623.00	$702,085.00	$14,457,708.00	$13,588,780.00	$868,928.00
Total Option Period 1	$61,168,838.00	$2,291,851.00	$63,460,689.00	$57,580,274.00	$5,880,415.00
Option Period 2					

Fiscal Year 2017	$6,891,996.00	$338,833.00	$7,230,829.00	$6,796,276.00	$434,553.00
Fiscal Year 2018	$21,287,092.00	$943,663.00	$22,230,755.00	$20,963,602.00	$1,267,153.00
Fiscal Year 2019	$13,745,764.00	$875,587.00	$14,621,351.00	TBD	TBD
Total Option Period 2	$41,924,852.00	$2,158,083.00	$44,082,935.00	TBD	TBD
Total Option Period(s)	**$103,093,690.00**	**$4,449,934.00**	**$107,543,624.00**	**TBD**	**TBD**
Extension Period(s)					
Extension Period 1					
May 26, 2019 through September 30, 2019	$8,556,649.00	$55,632.00	$8,612,281.00	TBD	TBD
October 1, 2019 through November 25, 2019	$3,667,136.00	$32,900.00	$3,700,036.00	TBD	TBD
Total Extension Period 1	**$12,223,785.00**	**$88,532.00**	**$12,312,317.00**	**TBD**	**TBD**
Extension Period 2					
November 26, 2019 through May 25, 2020	$0.00	$0.00	$0.00	TBD	TBD
Total Extension Period 2	$0.00	$0.00	$0.00	TBD	TBD
Total Extension Period(s)	**$12,223,785.00**	**$88,532.00**	**$12,312,317.00**	**TBD**	**TBD**
Total Base, Option, & Extension Periods	**$216,627,411.00**	**$6,167,302.00**	**$222,794,713.00**	**$177,634,014.00**	**$18,227,031.00**

* *Fee for August 24, 2009 to September 30, 2009 performance was combined with the FY 2010 Final Fee Determination.*

The following Table, *Summary of Contract Estimated Costs and Fee Tables*, summarizes the Contract Cost and Fee from Tables B.4-1, B.4-2.a, and B.4-2.b.

Definitions for descriptions used in the following table are as follows:

Total Estimated Direct Funded Contract Cost is defined as the sum of *Estimated Direct Funded Contract Cost* (B.4-1), *Estimated PMTO Direct Funded Contract Cost* (B-4.2.a), and *Estimated RFS and WFO and Direct Funded Contract Cost* (B-4.2.b).

(a) *Total Estimated OHC UBS Cost* is defined as *Estimated OHC UBS Cost* (B.4-1).

(b) *Total Estimated Contract Cost* is defined as the sum of *Total Estimated Direct Funded Contract Cost* and *Total Estimated OHC UBS Cost*.

(c) *Total Available Award Fee* is defined as *Available Award Fee* (B-4.1).

(d) *Total Fixed Fee* is defined as the sum of *PMTO Fixed Fee* (B-4.2.a) and *RFS and WFO Fixed Fee* (B-4.2.b).

(e) *Total Contract Fee* is defined as the sum of *Total Available Award Fee* and *Total Fixed Fee*.

(f) *Total Contract Price* is defined as the sum of *Total Estimated Contract Cost* and *Total Contract Fee*.

(g) *Total Estimated OHC UBS Revenue* is defined as *Estimated OHC UBS Revenue* (B.4-1).

(h) *Total Direct Funded Contract Price* is defined as *Total Contract Price* less *Total Estimated OHC UBS Revenue* as specified in B.3(a) Obligation of Funds.

	Summary Contract Estimated Costs and Fee Table
Total Estimated Direct Funded Contract Cost (a)	$3,115,516,673.40
Total Estimated OHC UBS Cost (b)	$1,087,353,327.00
Total Estimated Contract Cost (c) = (a+b)	$4,202,870,000.40
Total Available Award Fee (d)	$222,794,713.00
Total Fixed Fee (e)	$452,095.64
Total Contract Fee (f) = (d+e)	$223,246,808.64
Total Contract Price (g) = (c+f)	$4,426,116,809.04
Total Estimated OHC UBS Revenue (h)	($1,087,353,327.00)
Total Direct Funded Contract Price (i) = (g-h)	$3,338,763,482.04

B.5 CHANGES TO CONTRACT COST AND CONTRACT FEE

(a) Funding.

(1) DOE intends to obligate funding to the Contract in accordance with the *Contract Price* shown by fiscal year in Table B.4-1, *Contract Cost and Contract Fee*. The Contractor shall not be entitled to an equitable adjustment to *Available Fee* if the funding guidance by fiscal year is within 10% of the amount shown in Table B.4-1.

(2) Pursuant to Section C.3.1.2.3, DOE will provide annual funding guidance to the Contractor. The Contractor shall then develop an Integrated Priority List (IPL) in accordance with the funding guidance. The Contractor shall submit the IPL for DOE approval. Within 60 days of the DOE approval of the IPL, the Contractor shall, unless directed otherwise by the Contracting Officer, submit proposals consistent with the approved IPL work scope, projected Work for Others, and

annual forecast of services from Other Hanford Contractors (OHC) to adjust the *Contract Price* and/or Schedule in accordance with the Section I Clause entitled, *FAR 52.243-2, Changes – Cost Reimbursement, Alternates II, III, and IV*.

(b) Performance Risk.

(1) Changes to *Total Available Fee* will accurately reflect the corresponding changes to the Contract with respect to performance risk as determined by DEAR 915.404-4-70, *DOE structured profit and fee system* and implemented by the profit-analysis factors defined in FAR 15.404-4, *Profit*. Accordingly, changes to the Contract resulting in an increase or decrease to the Contractor's performance risk as defined in FAR 15.404-4(d)(1), shall cause a proportionate increase or decrease to the *Total Available Fee*.

(2) If performance risk changes, the Contracting Officer may initiate a change or consider a request for equitable adjustment to the *Contract Price* and/or Schedule in accordance with the Section I Clause entitled, *FAR 52.243-2, Changes – Cost Reimbursement, Alternates II, III, and IV*.

B.6 BASIS FOR TOTAL AVAILABLE FEE

The cost basis for *Total Available Fee* shall be the *Total Contract Cost*, excluding:

(a) Pass-through funding provided to other contractors for Hanford Site services identified in the Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix;*

(b) Costs associated with Work-for-Others performed under the Section I Clause entitled, *DEAR 970.5217-1, Work-for-Others Program*;

(c) Costs associated with sponsorship, management, administration and/or contributions for Legacy Plans (set forth in the Section H Clause entitled, Employee Compensation: Pay and Benefits) administered under this Contract; and

(d) Costs associated with sponsorship, management, administration and/or contributions for any defined benefit pension plan.

B.7 FEE STRUCTURE

(a) The Contracting Officer reserves the unilateral discretion to allocate between 15 percent (%) and 25% of the *Available Fee* for the *Base Period* and *Option Period(s)* (if exercised), to each fiscal year as described in this Clause; and as adjusted in the Section B Clause entitled, *Changes to Contract Cost and Contract Fee*. The Contractor will have the opportunity to earn 100% of the *Available Fee*, as adjusted, within a Contract period.

(b) The *Available Fee* shown in Table B.4-1, Contract Cost and Contract Fee, can be earned through objective fee components and/or subjective fee components. The performance measures for these components and the *Available Fee* for the period allocated to the fiscal year are provided in the Section J Attachment entitled, *Performance Evaluation and Measurement Plan* (PEMP). The PEMP may contain annual and multi-year performance measures.

(1) *Available Fee* for the period allocated to annual performance measures may only be earned in that fiscal year. Allocated *Available Fee* for the fiscal year not earned in the fiscal year for an annual performance measure is unavailable and not payable to the Contractor. The Contractor forfeits any rights to unearned fee. The Contracting Officer reserves the unilateral discretion to determine how any unearned fee will be utilized.

(2) *Available Fee* for the period allocated to fiscal years for multi-year performance measures may be earned incrementally or upon final fee determination. Allocated *Available Fee* not earned for a multi-year performance measure is unavailable and not payable to the Contractor. The Contractor forfeits any rights to unearned fee. The Contracting Officer reserves the unilateral discretion to determine how any unearned fee will be utilized.

(3) *Provisional Fee* is defined as *Available Fee* that is paid contingently during an annual performance period. *Provisional Fee* may become earned fee upon the final fee determination.

(4) *Incremental Fee* is defined as *Available Fee* that the Contractor may earn by achieving a specific, fee-bearing, performance measure event.

(5) Individual performance measures may require the Contractor to exceed approved baseline performance to earn 100% of the fee allocated to that performance measure.

(c) The Contracting Officer will prepare and issue performance measures prior to the start of each fiscal year. The Contracting Officer may provide draft performance measures for Contractor review and input; however, the Contracting Officer reserves the unilateral discretion to issue the performance measures without Contractor review.

B.8 FEE DETERMINATION AND PAYMENT

(a) Fee earned under this Contract will be paid in accordance with the specific criteria defined in the PEMP and the Clauses in Section B. Monthly provisional payments of fee may be authorized by the Contracting Officer and will be made in accordance with paragraph (b) of this Clause.

(b) For annual performance measures that do not have specific, incremental, fee-bearing performance measure events, the Contractor may request Contracting Officer approval to execute a monthly draw of *Provisional Fee* payments from the Special Financial

Institution Account. The Contractor may request a monthly *Provisional Fee* payment of up to 7.5% of fee allocated to such performance measures, subject to a maximum payment of 80% of fee allocated to such performance measures, and also subject to withholding by DOE as described in paragraphs (e) and (f) of this Clause.

(c) The Contractor shall request Contracting Officer acceptance of a specific, incremental, fee-bearing performance measure event. Following Contracting Officer acceptance of a specific, incremental, fee-bearing performance measure event, the Contractor may request Contracting Officer approval to execute a draw of *Incremental Fee* from the Special Financial Institution Account, subject to withholding by the Contracting Officer as described in paragraphs (e) and (f) of this Clause and the Section B Clause entitled, *Fee Reductions*.

(d) At the end of each year of Contract performance, the Fee Determining Official will make a final *Fee Determination* using the PEMP described in the Section B Clause entitled, *Fee Structure*. In the event that fee overpayment results from the *Provisional Fee* payments provided for in this Clause, the Contractor shall reimburse the unearned fee overpayment within 30 days of notification, to the Contracting Officer payable with interest in accordance with the Section I Clause entitled, *FAR 52.232-17, Interest*.

(e) Withholding of *Incremental* and *Provisional Fee* Payments for adverse Contract Performance.

(1) Withholding of *Incremental* and *Provisional Fee* Payments. If the Contractor demonstrates adverse performance, the Contracting Officer reserves the unilateral discretion to withhold *Incremental* and *Provisional Fee* Payments. Withheld Fee Payments are not subject to interest for the amount(s) of the withheld fee payment(s) under 5 CFR 1315, *Prompt Payment.*

(2) Release of Withheld *Incremental* and *Provisional Fee* Payments. The Contracting Officer may release withheld *Incremental* and *Provisional Fee* Payments and resume making *Incremental* and *Provisional Fee* Payments when the Contractor demonstrates sustained recovery in performance.

(f) Withholding of *Incremental* and *Provisional Fee* Payments for bankruptcy or other issues with guarantor company(ies).[4]

(1) Withholding of *Incremental* and *Provisional Fee*. In order to assure the Contractor's ability to repay any *Incremental* and *Provisional Fee* Payments that are determined to be in excess of the total fee earned, the Contracting Officer reserves the unilateral discretion to discontinue *Incremental* and *Provisional Fee* payments, in the event that a guarantor company files bankruptcy, is acquired by other owners, or impacted by other events that arise with the Contractor's guarantor company(ies) that can jeopardize DOE's ability to recover excess *Incremental Payment* and *Provisional Fee* Payments. Withheld Fee Payments are not subject to interest for the amount(s) of the withheld fee payment(s) under 5 CFR 1315, *Prompt Payment.*

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[4] Guarantor Company(ies) is defined as the company(ies) executing the performance guarantee (s) in Section H Clause entitled, *Performance Guarantee Agreement.*

(2) Release of Withheld *Incremental* and *Provisional Fee* Payments. Following receipt of evidence that bankruptcy or other issues do not affect the ability of the Contractor to continue to perform the obligations under the Contract, the Contracting Officer may release all *Incremental* and *Provisional Fee* Payments and resume making *Incremental* and *Provisional Fee* Payments.

B.9 FEE REDUCTIONS

(a) All earned fee in each year of Contract performance is subject to reductions imposed by the terms and conditions of this Contract, including, but not limited to:

(1) Section B Clause entitled, *Fee Determination and Payment;*

(2) Section B Clause entitled, *Small Business Subcontracting Fee Reduction;*

(3) Section B Clause entitled, *DEAR 970.5215-3, Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts (Alternate II) [DEVIATION]*;

(4) Section B Clause entitled, *Conditional Payment of Fee (CPOF) DOE Richland Operations Office Site-Specific Performance Criteria/Requirements*;

(5) Section E Clause entitled, *FAR 52.246-3, Inspection of Supplies – Cost Reimbursement*;

(6) Section E Clause entitled, *FAR 52.246-5, Inspection of Services – Cost Reimbursement*;

(7) Section H Clause entitled, *Key Personnel*;

(8) Section H Clause entitled, *Safety and Security Key Personnel*;

(9) Section I Clause entitled, FAR 52.203-10, Price or Fee Adjustment for Illegal or Improper Activity*;*

(10) Section I Clause entitled, *FAR 52.215-11, Price Reduction for Defective Cost or Pricing Data – Modifications;*

(11) Section I Clause entitled, *FAR 52.215-13, Subcontractor Cost or Pricing Data – Modifications;*

(12) Section I Clause entitled, *FAR 52.243-2, Changes – Cost Reimbursement.*

(b) The maximum fee reduction in any one (1) year of Contract performance is the allocated *Available Fee*, as defined in the Section J Attachment entitled, *Performance Evaluation and Measurement Plan*, that can be earned in the year the event occurred.

B.10 SMALL BUSINESS SUBCONTRACTING FEE REDUCTION

(a) For the purpose of implementing this Clause, the percentage goals established in the Section J Attachment entitled, *Small Business Subcontracting Plan*, will remain in effect for the duration of the Contract, except as modified in accordance with the Section B Clause entitled, *Changes to Contract Cost and Contract Fee*. The Contractor shall submit annual updates to the narrative elements of the *Small Business Subcontracting Plan* by December 31 of each year.

(b) The Contractor's performance in meeting small business performance percentage goals in accordance with the Section H Clause entitled, *Self-Performed Work*, providing meaningful involvement for small businesses, and entering into the required Mentor-Protégé Agreement(s) will be evaluated after the:

(1) Three year period concluding at the end of the 3rd year of Contract performance;

(2) Two year period concluding at the end of the 5th year of Contract performance; and, if the *Option Period(s)* is exercised;

(3) If *Option Period* 1 is exercised -- -two year period concluding at the end of the 7th year of Contract performance; and

(4) At the end of the Contract period of performance.

(c) The Contracting Officer will consider the Contractor's performance in meeting small business percentage goals and entering into the required Mentor-Protégé Agreement(s) when making a decision on the *Option Period(s)* authorization.

(d) If the Contractor has not met any or all of the subcontracting goals, has failed to provide meaningful involvement for small business, and/or has failed to enter into the required Mentor-Protégé Agreement(s) during the above specified periods, the Contracting Officer may reduce the earned fee by an amount up to 10% of total earned fee in each period of the four (4) multi-year periods described above.

(e) At Contract completion, the total amount of fee reduction for failure to meet its subcontracting goals shall be offset by any amount of liquidated damages assessed in accordance with the Section I Clause entitled, *FAR 52.219-16, Liquidated Damages – Subcontracting Plan*. The fee reduction amount will be a unilateral determination by the Contracting Officer and a permanent reduction in the earned fee under this Contract.

(f) Any reduction for failure to meet the requirements of the Section H Clause entitled, *Mentor-Protégé Program* shall be in addition to any liquidated damages assessed in accordance with the Section I Clause entitled, *FAR 52.219-16, Liquidated Damages – Subcontracting Plan*. The fee reduction amount will be a unilateral determination by the Contracting Officer and a permanent reduction in the earned fee under this Contract.

B.11 ALLOWABILITY OF SUBCONTRACTOR FEE

(a) If the Contractor is part of a teaming arrangement as described in FAR Subpart 9.6, *Contractor Team Arrangements,* the team shall share in the *Total Available Fee* as shown in Table B.4-1. Separate additional subcontractor fee is not an allowable cost under this Contract for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, majority-owned, or affiliate of any team member.

(b) The subcontractor fee restriction in paragraph (a) does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé firms as part of an approved Mentor-Protégé relationship under the Section H Clause entitled, *Mentor-Protégé Program*; (3) subcontractors under a competitively awarded firm-fixed price or firm-fixed unit price subcontract; or (4) commercial items as defined in FAR Subpart 2.1, *Definitions of Words and Terms*.

B.12 DEAR 970.5215-3, CONDITIONAL PAYMENT OF FEE, PROFIT, AND OTHER INCENTIVES – FACILITY MANAGEMENT CONTRACTS (ALTERNATE II) (JAN 2004) [DEVIATION]

(a) General.

(1) The payment of earned fee, fixed fee, profit, or share of cost savings under this Contract is dependent upon:

(i) The Contractor's or Contractor employees' compliance with the terms and conditions of this Contract relating to environment, safety, health and quality (ESH&Q), which includes worker safety and health, including performance under an approved Integrated Safety Management System (ISMS); and

(ii) The Contractor's or contractor employees' compliance with the terms and conditions of this Contract relating to the safeguarding of Restricted Data and other classified information.

(2) The ESH&Q performance requirements of this Contract are set forth in its ESH&Q terms and conditions, including the DOE-approved Contractor ISMS or similar document. Financial incentives for timely mission accomplishment or cost effectiveness shall never compromise or impede full and effective implementation of the ISMS and full ESH&Q compliance.

(3) The performance requirements of this Contract relating to the safeguarding of Restricted Data and other classified information are set forth in the Section I Clause entitled, *FAR 52.239-1, Privacy or Security Safeguards (AUG 1996)*, and *DEAR 970.5204-2, Laws, Regulations, and DOE Directives*, as well as in other terms and conditions.

(4) If the Contractor does not meet the performance requirements of this Contract relating to ESH&Q or to the safeguarding of Restricted Data and other classified information during any performance evaluation period established under the Contract, otherwise earned fee, fixed fee, profit or share of cost savings may be unilaterally reduced by DOE.

(b) Reduction Amount.

(1) The amount of earned fee, fixed fee, profit, or share of cost savings that may be unilaterally reduced will be determined by the severity of the performance failure pursuant to the degrees specified in paragraphs (c) and (d) of this Clause.

(2) If a reduction of earned fee, fixed fee, profit, or share of cost savings is warranted, unless mitigating factors apply, such reduction shall not be less than 26% nor greater than 100% of the amount of earned fee, fixed fee, profit, or the Contractor's share of cost savings for a first degree performance failure, not less than 11% nor greater than 25% for a second degree performance failure, and up to 10% for a third degree performance failure.

(3) In determining the amount of the reduction and the applicability of mitigating factors, DOE will consider the Contractor's overall performance in meeting the ESH&Q or security requirements of the Contract. Such consideration will include performance against any site specific performance criteria/requirements that provide additional definition, guidance for the amount of reduction, or guidance for the applicability of mitigating factors. In all cases, DOE will consider mitigating factors that may warrant a reduction below the applicable range (see *48 CFR 970.1504-1-2*). The mitigating factors include, but are not limited to, the following ((v), (vi), (vii) and (viii) apply to ESH&Q only).

(i) Degree of control the Contractor had over the event or incident.

(ii) Efforts the Contractor had made to anticipate and mitigate the possibility of the event in advance.

(iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.

(iv) General status (trend and absolute performance) of: ESH&Q and compliance in related areas; or of safeguarding Restricted Data and other classified information and compliance in related areas.

(v) Contractor demonstration to the Contracting Officer’s satisfaction that the principles of industrial ESH&Q standards are routinely practiced (e.g., Voluntary Protection Program, ISO [International Organization for Standardization] 14000, *Environmental Management System Standards*).

(vi) Event caused by "Good Samaritan" act by the Contractor (e.g., off-site emergency response).

(vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain ESH&Q performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, ESH&Q programs).

(viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in ESH&Q by use of lessons-learned and best practices inter- and intra-DOE sites.

(4) (i) The amount of fee, fixed fee, profit, or share of cost savings that is otherwise earned by a Contractor during an evaluation period may be reduced in accordance with this Clause if it is determined that a performance failure warranting a reduction under this Clause occurs within the evaluation period.

(ii) The amount of reduction under this Clause, in combination with any reduction made under any other clause in the Contract, shall not exceed the amount of fee, fixed fee, profit, or the Contractor's share of cost savings that is otherwise earned during the evaluation period.

(iii) For the purposes of this clause, earned fee, fixed fee, profit, or share of cost savings for the evaluation period shall mean the amount determined by DOE or fee determination official as otherwise payable based on the Contractor's performance during the evaluation period. Where the Contract provides for financial incentives that extend beyond a single evaluation period, this amount shall also include: any provisional amounts determined otherwise payable in the evaluation period; and, if provisional payments are not provided for, the allocable amount of any incentive determined otherwise payable at the conclusion of a subsequent evaluation period. The allocable amount shall be the total amount of the earned incentive divided by the number of evaluation periods over which it was earned.

(iv) The Government will effect the reduction as soon as practicable after the end of the evaluation period in which the performance failure occurs. If the Government is not aware of the failure, it will effect the reduction as soon as practical after becoming aware. For any portion of the reduction requiring an allocation the Government will effect the reduction at the end of the evaluation period in which it determines the total amount earned under the incentive. If at any time a reduction causes the sum of the payments the Contractor has received for fee, fixed fee, profit, or share of cost savings to exceed the sum of fee, fixed fee, profit, or share of cost savings the Contractor has earned (provisionally or otherwise), the Contractor shall immediately return the excess to the Government. (What the Contractor "has earned" reflects any reduction made under this or any other Clause of the Contract.)

(v) At the end of the Contract:

(A) The Government will pay the Contractor the amount by which the sum of fee, fixed fee, profit, or share of cost savings the Contractor has earned exceeds the sum of the payments the Contractor has received; or

(B) The Contractor shall return to the Government the amount by which the sum of the payments the Contractor has received exceeds the sum of fee, fixed fee, profit, or share of cost savings the Contractor has earned. (What the Contractor "has earned" reflects any reduction made under this or any other Clause of the Contract.)

(c) Environment, Safety, Health and Quality (ESH&Q). Performance failures occur if the Contractor does not comply with the Contract ESH&Q terms and conditions, including the DOE-approved Contractor ISMS. The degrees of performance failure under which reductions of earned or fixed fee, profit, or share of cost savings will be determined are:

(1) First Degree: Performance failures that are most adverse to ESH&Q. Failure to develop and obtain required DOE approval of an ISMS is considered first degree. The Government will perform necessary review of the ISMS in a timely manner and will not unreasonably withhold approval of the Contractor's ISMS. The following performance failures or performance failures of similar import will be considered first degree.

(i) Type A accident (defined in DOE Order 225.1A, *Accident Investigations*); and

(ii) Two (2) Second Degree performance failures during an evaluation period.

(2) Second Degree: Performance failures that are significantly adverse to ESH&Q. They include failures to comply with an approved ISMS that result in an actual injury, exposure, or exceedence that occurred or nearly occurred but had minor practical long-term health consequences. They also include breakdowns of the

Safety Management System. The following performance failures or performance failures of similar import will be considered second degree:

(i) Type B accident (defined in DOE Order 225.1A).

(ii) Non-compliance with an approved ISMS that results in a near miss of a Type A or B accident. A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, but does not result in an adverse effect.

(iii) Failure to mitigate or notify DOE of an imminent danger situation after discovery, where such notification is a requirement of the Contract.

(3) Third Degree: Performance failures that reflect a lack of focus on improving ESH&Q. They include failures to comply with an approved ISMS that result in potential breakdown of the System. The following performance failures or performance failures of similar import will be considered third degree:

(i) Failure to implement effective corrective actions to address deficiencies/non-compliances documented through: external (e.g., Federal) oversight and/or reported per DOE Manual 232.1-2 (Supp Rev 8), *Occurrence Reporting and Processing of Operations Information* requirements; or internal oversight of 10 CFR 830, 10 CFR 835, 10 CFR 850, and 10 CFR 851 requirements.

(ii) Multiple similar non-compliances identified by external (e.g., Federal) oversight that in aggregate indicate a significant programmatic breakdown.

(iii) Non-compliances that either have, or may have, significant negative impacts to the worker, the public, or the environment or that indicate a significant programmatic breakdown.

(iv) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the Contract.

(d) Safeguarding Restricted Data and Other Classified Information. Performance failures occur if the Contractor does not comply with the terms and conditions of this Contract relating to the safeguarding of Restricted Data and other classified information. The degrees of performance failure under which reductions of fee, profit, or share of cost savings will be determined are as follows:

(1) First Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national

security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, or any classification level of information in a Special Access Program (SAP), information identified as sensitive compartmented information (SCI), or high risk nuclear weapons-related data.

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.

(iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.

(iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.

(2) Second Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret.

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret.

(iii) Failure to promptly report the loss, compromise, or unauthorized

disclosure of Restricted Data or other classified information regardless of classification (except for information covered by paragraph (d)(1)(iii) of this Clause).

(iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other classified information classified as Secret.

(3) Third Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security. In addition, this category includes performance failures that result from a lack of Contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future, more severe performance failures and/or conditions, and if identified and corrected early would prevent serious incidents. The following are examples of performance failures or performance failures of similar import that will be considered third degree:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential.

(ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information.

(iv) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the Contractor's Safeguards and Security Plan or other security plan, as applicable.

(iv) Contractor actions that result in performance failures which unto themselves pose minor risk, but when viewed in the aggregate indicate degradation in the integrity of the Contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information.

(e) Minimum requirements for specified level of performance.

(1) At a minimum the Contractor must perform the following:

(i) The requirements with specific incentives which do not require the achievement of cost efficiencies in order to be performed at the level of performance set forth in Section C, *Statement of Work*, work authorization directive(s), or similar document unless an otherwise minimum level of performance has been established in the specific incentive;

(ii) All of the performance requirements directly related to requirements specifically incentivized which do not require the achievement of cost efficiencies in order to be performed at a level of performance such that the overall performance of these related requirements is at an acceptable level; and

(iii) All other requirements at a level of performance such that the total performance of the Contract is not jeopardized.

(2) The evaluation of the Contractor's achievement of the level of performance shall be unilaterally determined by the Government. To the extent that the Contractor fails to achieve the minimum performance levels specified in Section C, *Statement of Work*, work authorization directive(s), or similar document, during the performance evaluation period, the DOE Operations/Field Office Manager, or designee, may reduce any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit, or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.

(f) Minimum requirements for cost performance.

(1) Requirements incentivized by other than cost incentives must be performed within their specified cost constraint and must not adversely impact the costs of performing unrelated activities.

(2) The performance of requirements with a specific cost incentive must not adversely impact the costs of performing unrelated requirements.

(3) The Contractor's performance within the stipulated cost performance levels for the performance evaluation period shall be determined by the Government. To the extent the Contractor fails to achieve the stipulated cost performance levels, the DOE Operations/Field Office Manager, or designee, may reduce in whole or in part any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.

B.13 CONDITIONAL PAYMENT OF FEE (CPOF) DOE RICHLAND OPERATIONS OFFICE SITE-SPECIFIC PERFORMANCE CRITERIA/REQUIREMENTS

This Clause supplements Section B Clause entitled, *DEAR 970.5215-3, Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts (Alternate II) [Deviation]* by establishing Site-specific Environment, Safety, Health, and Quality (ESH&Q), and security performance criteria/requirements. Performance failures relating to the performance criteria set forth in this Clause will be processed in accordance with DEAR 970.5215-3. Site-specific performance criteria/requirements for ESH&Q, and Safeguards and Security are as follows:

(a) Environment, Safety, Health, and Quality

(1) First Degree: Performance failures relating to the criteria set forth in this Clause will be processed in accordance with DEAR 970.5215-3, Alternate II [Deviation].

(2) Second Degree: Performance failures relating to the criteria set forth in this Clause will be processed in accordance with DEAR 970.5215-3, Alternate II [Deviation].

(3) Third Degree: Performance failures that reflect a lack of focus on ESH&Q or failures to comply with an approved ISMS that may result in a negative impact to the public, worker or environment. The following performance failures, or events of similar import, are examples of performance failures that are considered third degree:

(i) Multiple similar non-compliances identified by external oversight (e.g., Federal) that in the aggregate indicate a significant programmatic breakdown.

(ii) Non-compliances or adverse performance trends that either have or may have negative impact to the public, worker, or environment or that indicate a programmatic breakdown.

(iii) Failure to notify the Contracting Officer upon discovery of events or conditions where notification is required by the terms and conditions of the Contract.

(iv) Failure to report required data accurately and in a timely manner.

(v) Failure to implement continuous improvement in ESH&Q performance through effective utilization of ISMS processes, including timely submittal of meaningful performance objectives, measurements and commitments.

(b) Safeguards and Security

(1) First Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national

security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:

(i) Theft, loss or diversion of category I or II special nuclear material (SNM); adversarial attacks or acts of sabotage that result in significant consequences the safety or security of personnel, facilities, or the public due to a failure or inadequacy of performance by the Contractor.

(ii) Receipt of an overall rating of Unsatisfactory on any DOE Safeguards and Security survey, audit, and/or inspection.

(iii) Failure to implement corrective action(s) in response to any first degree performance failure.

(2) Second Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:

(i) Theft, loss or diversion of Category III SNM that is due to a failure or inadequacy of performance by the Contractor.

(ii) Inventory differences of Category I/II/III SNM beyond alarm limits where there is no evidence that the difference is created by loss, theft, or diversion.

(iii) Any amount of SNM found in a dangerous/hazardous or unapproved storage environment, or unapproved mode of transportation/transfer.

(iv) Failure to implement corrective action(s) in response occurrence of any second degree performance failure.

(3) Third Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security, and/or jeopardizes protection of the facility or Site security interests. The following are examples of performance failures or performance failures of similar import that will be considered third degree:

(i) Loss, theft, diversion, or unauthorized disclosure of information classified as Confidential.

(ii) Negligent weapons and firearms-related incidents involving protective force operations/personnel (e.g., unauthorized weapons discharge, personal wounding).

(iii) Evidence that SNM data has been manipulated or falsified.

(iv) Inventory differences of Category IV SNM beyond alarm limits where there is no evidence that the difference is created by loss, theft, or diversion.

(v) Loss, theft, or diversion of Category IV quantities of SNM that is due to a failure or inadequacy of performance by the contractor.

(vi) Five (5) or more incidents that involve a potential compromise of classified information and/or unsecured classified repository, in any three (3) month period, of any type.

(vii) Receipt of any topical area rating of Unsatisfactory on any DOE Safeguards and Security survey, audit, and/or inspection.

(viii) Failure to implement corrective action(s) in response to any third degree performance failure.

(ix) Non-compliant or adverse cyber security performance that indicates serious cyber security program degradation (e.g., negative mission impacts or compromise of sensitive information [Sensitive Unclassified Information, Personally Identifiable Information, Unclassified Controlled Nuclear Information], etc.).

Fiscal Year	Fiscal Month	Finplan Number	Rpt Entity	Purchase Order	Fund Code	Approp Year	Program	Legacy Program	Object Class	Local Use	Project	WFO	Legacy Order Number	Beginning Uncosted Obs	BA Previous	BA Change	BA Revised	Total Available
2020	4	216	422101	RL14728	00922	2019	1721310	YN1901000	25400	0000000	0000000	0425511		$ 3,460.82	$ -	$ (3,460.82)	$ (3,460.82)	$ -
2020	4	216	422101	RL14728	00922	2019	1721310	YN1901000	25400	0000000	0000000	0425523		$ 450.66	$ -	$ (450.66)	$ (450.66)	$ -
2020	4	216	422101	RL14728	01249	2020	1110460	EW1001204	25461	0421501	0001539	0000000		$ -	$ 2,900.00	$ 1,500.00	$ 4,400.00	$ 4,400.00
2020	4	216	422101	RL14728	01250	2020	1111154	FS5042070	25400	0000000	0001523	0000000		$ -	$ 176,386.00	$ 62,000.00	$ 238,386.00	$ 238,386.00
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	32002	0427211	0004626	0000000		$ -	$ 53,200.00	$ 45,000.00	$ 98,200.00	$ 98,200.00
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	25400	0421455	0004626	0000000		$ -	$ 307,000.00	$ 110,000.00	$ 417,000.00	$ 417,000.00
2020	4	216	422101	RL14728	00911	2020	1721310	YN1901000	25400	0000000	0000000	0425536		$ -	$ -	$ 55,999.73	$ 55,999.73	$ 55,999.73
2020	4	216	422101	RL14728	01759	2020	6000150	453460037	25400	0000000	0000000	0421742		$ -	$ -	$ 228.94	$ 228.94	$ 228.94
2020	4	216	422101	RL14728	01250	2016	1111556	EY5202400	32002	0427180	0004008	0000000		$ 48,044.48	$ -	$ (48,044.48)	$ (48,044.48)	$ -
2020	4	216	422101	RL14728	00922	2018	1721310	YN1901000	25400	0000000	0000000	0425511		$ 577.34	$ -	$ (577.34)	$ (577.34)	$ -
2020	4	216	422101	RL14728	00922	2019	1721310	YN1901000	25400	0000000	0000000	0425533		$ 1,058.34	$ -	$ (1,058.34)	$ (1,058.34)	$ -
2020	4	216	422101	RL14728	01250	2018	1111148	FS5042010	25400	0421401	0001523	0000000		$ -	$ -	$ 10.12	$ 10.12	$ 10.12
2020	4	216	422101	RL14728	00922	2019	1721310	YN1901000	25400	0000000	0000000	0425534		$ 640.40	$ -	$ (640.40)	$ (640.40)	$ -
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	32002	0427231	0004626	0000000		$ -	$ 115,900.00	$ 130,000.00	$ 245,900.00	$ 245,900.00
2020	4	216	422101	RL14728	01164	2020	4300003	PD1040000	25400	0000000	0000000	0000000		$ -	$ -	$ 10,000.00	$ 10,000.00	$ 10,000.00
2020	4	216	422101	RL14728	01250	2020	1111149	FS5042020	25400	0000000	0001523	0000000		$ -	$ 1,471,124.00	$ 600,000.00	$ 2,071,124.00	$ 2,071,124.00
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	25400	0421401	0004626	0000000		$ -	$ 28,734,962.54	$ 16,267,000.00	$ 45,001,962.54	$ 45,001,962.54
2020	4	216	422101	RL14728	01250	2020	1111151	FS5042040	25400	0000000	0001523	0000000		$ -	$ 306,390.00	$ 125,000.00	$ 431,390.00	$ 431,390.00
2020	4	216	422101	RL14728	01249	2020	1110462	EW1001206	25461	0421501	0001539	0000000		$ -	$ 95,000.00	$ 70,000.00	$ 165,000.00	$ 165,000.00
2020	4	216	422101	RL14728	01759	2020	6000150	453460037	25400	0000000	0000000	0421822		$ -	$ -	$ 134.67	$ 134.67	$ 134.67
2020	4	216	422101	RL14728	00922	2019	1721310	YN1901000	25400	0000000	0000000	0425541		$ 707.29	$ -	$ (707.29)	$ (707.29)	$ -
2020	4	216	422101	RL14728	01250	2020	1111156	FS5042090	25400	0000000	0001523	0000000		$ -	$ 1,861,700.00	$ 710,000.00	$ 2,571,700.00	$ 2,571,700.00
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	25400	0420327	0004626	0000000		$ -	$ 7,743.60	$ 3,000.00	$ 10,743.60	$ 10,743.60
2020	4	216	422101	RL14728	01250	2020	1111156	FS5042090	25400	0421393	0001523	0000000		$ -	$ 2,989.04	$ 1,500.00	$ 4,489.04	$ 4,489.04
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	25400	0000000	0004626	0000000		$ -	$ 1,644,670.04	$ 3,000,000.00	$ 4,644,670.04	$ 4,644,670.04
2020	4	216	422101	RL14728	01759	2020	6000150	453460037	25400	0000000	0000000	0421737		$ -	$ -	$ 975.97	$ 975.97	$ 975.97
2020	4	216	422101	RL14728	01759	2020	6000150	453460037	25400	0000000	0000000	0421764		$ -	$ -	$ 100.78	$ 100.78	$ 100.78
2020	4	216	422101	RL14728	00922	2019	1721310	YN1901000	25400	0000000	0000000	0425537		$ 744.15	$ -	$ (744.15)	$ (744.15)	$ -
2020	4	216	422101	RL14728	00922	2019	1721310	YN1901000	25400	0000000	0000000	0425538		$ 1,221.59	$ -	$ (1,221.59)	$ (1,221.59)	$ -
2020	4	216	422101	RL14728	01759	2020	6000150	453460037	25400	0000000	0000000	0421800		$ -	$ 956.25	$ (134.67)	$ 821.58	$ 821.58
2020	4	216	422101	RL14728	01268	2020	1111668	EY5201020	25400	0421481	0004626	0000000		$ -	$ -	$ 400,000.00	$ 400,000.00	$ 400,000.00
2020	4	216	422101	RL14728	00922	2015	1721310	YN1901000	25400	0000000	0000000	0425283		$ 609.12	$ -	$ (609.12)	$ (609.12)	$ -
2020	4	216	422101	RL14728	01250	2016	1111556	EY5202400	25400	0000000	0004008	0000000		$ 1,660,488.70	$ -	$ 48,044.48	$ 48,044.48	$ 1,708,533.18
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	25400	0421371	0004626	0000000		$ -	$ 94,800.00	$ 20,000.00	$ 114,800.00	$ 114,800.00
2020	4	216	422101	RL14728	01249	2020	1110464	EW1001208	25461	0421501	0001539	0000000		$ -	$ 10,000.00	$ 2,500.00	$ 12,500.00	$ 12,500.00
2020	4	216	422101	RL14728	01250	2020	1111148	FS5042010	25400	0421401	0001523	0000000		$ -	$ 1,499,100.00	$ 300,000.00	$ 1,799,100.00	$ 1,799,100.00
2020	4	216	422101	RL14728	01250	2020	1111148	FS5042010	25400	0000000	0001523	0000000		$ -	$ 10,760,364.48	$ 3,200,000.00	$ 13,960,364.48	$ 13,960,364.48
2020	4	216	422101	RL14728	01250	2020	1111152	FS5042050	25400	0000000	0001523	0000000		$ -	$ 1,788,071.00	$ 1,000,000.00	$ 2,788,071.00	$ 2,788,071.00
2020	4	216	422101	RL14728	07065	2020	6000207	WN9034196	25400	0000000	0000000	0000000		$ -	$ 14,210.00	$ 16,120.00	$ 30,330.00	$ 30,330.00
2020	4	216	422101	RL14728	01249	2020	1110477	EW1099342	25461	0421501	0001539	0000000		$ -	$ 35,000.00	$ 47,200.00	$ 82,200.00	$ 82,200.00
2020	4	216	422101	RL14728	01250	2020	1111668	EY5201020	25400	0421530	0004626	0000000		$ -	$ 452,126.00	$ 425,000.00	$ 877,126.00	$ 877,126.00
2020	4	216	422101	RL14728	00911	2020	1721310	YN1901000	25400	0000000	0000000	0425574		$ -	$ -	$ 1,105.94	$ 1,105.94	$ 1,105.94
														$ 1,718,002.89	$ 49,434,592.95	**$ 26,594,771.77**	$ 76,029,364.72	$ 77,747,367.61