River Corridor Closure Contract
Contract No. DE-AC06-05RL14655

CONTRACT MANAGEMENT PLAN

WASHINGTON CLOSURE HANFORD LLC

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U.S. Department of Energy
RICHLAND OPERATIONS CONTRACT

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ATTACHMENT A – AMERICAN RECOVERY AND REINVESTMENT ACT CMP ADDENDUM
CONTRACT MANAGEMENT PLAN FOR THE RIVER CORRIDOR CLOSURE CONTRACT

1.0 PURPOSE OF PLAN

The purpose of this Contract Management Plan (CMP) is to provide guidance to the Department of Energy (DOE) employees involved with the management and administration of the River Corridor Closure Contract (RCCC) Number DE-AC06-05RL14655. This guidance will provide DOE employees with a useful tool to ensure compliance to contract terms and conditions by Washington Closure Hanford, LLC (WCH) and the agency. This CMP has been created with the following guiding principles:

1. Shall be a useful tool for administering the contract;
2. Shall be an executive summary of the roles and responsibilities of the contracting parties;
3. Shall identify who is responsible for various contract administration activities; and
4. Shall be flexible and adapt to changing circumstances.

Successful management and administration of this contract will require the coordinated efforts of a variety of DOE personnel. Key personnel include: Contracting Officer Representatives (CORs); the Contracting Officer (CO) and Contract Specialists; Richland Operations Office (RL) Manager and Assistant Managers (AM); and Chief Counsel. This CMP will delineate the roles and responsibilities of these team members and will provide for their interaction on key contract administration duties.

This CMP does not capture every action that the DOE or the Contractor will need to complete to make the contract successful. To do so with a contract of this complexity is neither feasible, nor practical. This CMP sets forth the higher level requirements, deliverables, and tasks necessary, and describes the overall process within which the tasks are performed. More detailed step-by-step tasks referenced in this plan are located in the RL Integrated Management System (RIMS) processes and procedures, specific desk instructions and documents.

2.0 CONTRACT SUMMARY AND BACKGROUND OF THE SCOPE OF WORK

The Hanford Site is located along the Columbia River in southeastern Washington State. The site covers 586-square-miles and consists of a plutonium production complex with nine nuclear reactors and associated processing facilities. Hanford played a pivotal role in the nation’s defense for more than 40 years, beginning in the 1940s with the Manhattan Project. Today, under the direction of the U.S. Department of Energy, (DOE) Hanford is engaged in the world’s largest environmental cleanup project, with a number of overlapping technical, political, regulatory, financial, and cultural issues.

DOE has three Federal offices at Hanford. The DOE Richland Operations Office (RL) is responsible for nuclear waste and facility cleanup, and overall management of the Hanford Site. The DOE Office of River Protection (ORP) is responsible for cleanup of Hanford Site tank waste. The Pacific Northwest Site Office (PNSO), a component of the DOE’s Office of Science, oversees the science and technology mission of the contractor-operated Pacific Northwest National Laboratory (PNNL).

Approximately 11,000 personnel currently work on or near the Hanford Site. These 11,000 personnel are employed by a diverse group of site prime contractors, numerous site major subcontractors and DOE. Examples of cleanup workscope ongoing on-site include the following:

- facility deactivation, decontamination, decommissioning and demolition (D4),
- stabilization and storage of nuclear materials in a variety of forms,
• processing and storage of radioactive, chemical and/or mixed wastes, and
• soil and groundwater remediation involving a variety of radiological and chemical waste streams.

The facility D4 workscope exposes workers to the risk of chemical and radiological hazards as well as construction-related hazards. The stabilization and management of special nuclear materials exposes workers to radiological hazards. Waste management operations also expose workers to the risk of chemical and radiological hazards.

The purpose of this contract is to close the Hanford Site River Corridor, approximately 210 square miles of the Hanford Site along the Columbia River. This contract applies performance-based contracting approaches; expects the Contractor to innovate and implement techniques that emphasize safe, efficient, and measurable results; and minimizes the description of how to accomplish the scope of work. The Contractor has the responsibility for total performance under the contract, including determining the specific methods and graded approaches for accomplishing all work to be performed.

The RCCC is a Cost-Plus-Incentive-Fee (CPIF) contract. Excluding transition, the period of performance for the contract is August 27, 2005, through September 30, 2015. The currently funded contract value and incentive fee structure are located in Section B.2 and Table B.1 respectively. The funding profile for the RCCC is given in Contract Attachment J-11.

The Contractor is responsible for planning, managing, and executing the RCCC projects, operations, and other activities as described in more detail in Contract Section C, Statement of Work.

The Contractor is responsible for interfacing and coordinating with other Hanford Site Prime Contractors in the performance of this work. The Contractor is to ensure that requirements for services provided to other Hanford Site Contractors, and received from other site Contractors, are integrated with other Hanford Site Contractors and provided for in the contract baseline.

The contract defines closure in Clause C.1, as “completion of all activities required to: deactivate, decontaminate, decommission, and demolish excess facilities; place former production reactors in an interim safe and stable condition; remediate waste sites and burial grounds; meet regulatory requirements; and transition to long-term stewardship. To achieve this end-state safely and efficiently, the Contractor shall establish defensible technical approaches, develop risk-based end-states to protect human health and the environment, implement accelerated risk reduction techniques, and implement a regulatory framework to comply with all applicable requirements.”

Specific performance objectives, measures, expectations and implementing instructions are detailed in Contract Section B, Supplies or Services and Prices/Costs.

The Contractor shall integrate safety and environmental awareness into all activities including those of subcontractors at all levels consistent with Integrated Safety Management (ISM) principles. Work must be accomplished in a manner that achieves high levels of quality, protects the environment, the safety and health of workers and the public, and complies with requirements. The Contractor shall identify hazards, manage risks, identify and implement good management practices, and make continued improvements in environment, safety, health, and quality performance.

The Contractor shall seek ways to streamline work processes by the use of necessary and sufficient standards and requirements. This includes requesting relief in the form of exemptions from requirements when appropriate, such as when the cost of the requirement will exceed its expected benefits.

The Contractor shall furnish, or cause to be furnished, all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this contract as furnished by the
Government), and otherwise do all things necessary for, or incident to, providing its best efforts so as to carry out in an efficient and effective manner all necessary work set forth in this contract.

This contract is intended to perform work necessary to reduce the potential risk to the public and the environment. It is also intended to meet the DOE legal obligations and commitments in carrying out this work. This contract will be changed as required to assure that applicable legal obligations and commitments will be met.

3.0 IDENTIFICATION OF KEY CONTRACT MANAGEMENT TEAM MEMBERS, INCLUDING AUTHORITIES AND LIMITATIONS

The River Corridor Closure Project is managed as a project as defined by DOE Order 413.3A, which requires an Integrated Project Team (IPT) management approach. The RCCC key contract management team members include the Head of Contracting Activity (HCA); the designated Contracting Officer (CO); the Contracting Officer Representatives (CORs); technical support staff and subject matter experts.

3.1 Head of Contracting Activity (HCA) and Authority

The DOE-Headquarters Office of Procurement and Assistance Management Director (Procurement Executive) has designated the Deputy Assistant Secretary (DAS) for Acquisition and Project Management (EM-50), Office of Environmental Management, (by position) as the RL HCA by delegating authority to award and administer contracts, and to exercise the overall responsibility for managing the contracting activity. The DAS for Acquisition and Project Management, as HCA, has full contracting officer authority and is fully responsible for the contract. Contracts may be entered into and signed only by the HCA, or an appointed Contracting Officer with the requisite authority.

3.2 Contracting Officer (CO) and Authority

The principal RL CO for Contract NO. DE-AC06-05RL14655 is:

U.S. Department of Energy
Richland Operations Office
J. Jeff Short
Contracting Officer
P.O. Box 550, MSIN: A7-80
Richland, WA 99352
Tele: (509) 376-2882
Fax: (509) 376-5378
E-mail: J_Jeff_Short@rl.gov

Other warranted RL COs may execute actions consistent with their delegated authorities.

The CO's role is to prepare, execute, and administer assigned contracts in accordance with the warranted authority. As a key member of the IPT, the CO's responsibilities are to award, administer, and close out the contract; ensure Contractor compliance with contract requirements; interpret procurement policy and requirements; comply with procurement laws, regulations, and policy; and direct and authorize the Contractor to accomplish contract objectives in support of the DOE mission. The CO has the authority to enter into, administer, and/or terminate contracts, and document related determinations and findings, waivers, and deviations. As specified in contract Clause G.4, Modification Authority, only the CO is authorized to accept non-conforming work; waive any requirement of this contract; or modify any term or condition of the contract. The CO's authorities and limitations are established in the warrant delegated to the CO by the HCA. A listing of RL's COs, authorities and limitations, is available on the RL Procurement Homepage under "CO/COR List."
3.3 Contracting Officer's Representative (COR) Authority

CORs will be designated by separate letter and will represent the CO in the technical oversight of the work. CORs are not authorized to change any of the terms and conditions of this contract. The CO, through properly written modification(s) to the contract, is the only person authorized to make changes to the workscope. CORs generally will be at the Deputy Manager and Assistant Manager level of the RL organization, and there may be other specialty CORs with specific targeted limitations (e.g., Office of Chief Counsel authority for the Litigation Management Plan). A listing of RL's delegated CORs, authorities, and limitations is available on the RL Procurement Homepage under “CO/COR List.”

The primary COR and designated Federal Project Director (FPD) for the RCCC No. DE-AC06-05RL14655 is:

U.S. Department of Energy  
Richland Operations Office  
Mark S. French  
Contracting Officer Representative  
P.O. Box 550, MSIN: A3-04  
Richland, WA 99352  
Tele: (509) 373-9863  
Fax: (509) 372-3508  
E-mail: Mark_S_French@rl.gov

The CORs will have specific authorities related to technical guidance and inspection in accordance with contract Clause I.99, Technical Direction, and the CO will prescribe these to him/her in writing. The CO will also notify the Contractors in writing of the specific authorities granted to the CORs. Representative tasks to be assigned to the CORs are as follows:

- Oversee and evaluate work in process,
- Inspection of completed work and preparation of recommendations to the CO regarding the acceptability of the product,
- Act as technical representative for contract administration,
- Review change proposals for need and technical adequacy as appropriate,
- Assist in evaluating and making recommendations for acceptance or rejection of nonconforming product,
- Provide oversight as required of Contractor's compliance with schedule and technical performance,
- Ensure that Government-furnished property is delivered to the Contractor and monitor the Contractor's use of the property,
- Report to the CO any inadequacies noted in the specifications and technical requirements,
- Review for quality and timeliness, the Contractor's submission of required contract deliverables,
- Review Contractor claims for payment for allowability, allocability, and reasonableness, and make payment recommendations to the CO,
- Develop DOE's prompt responses to Contractor deliverables and provide recommendations to the CO,
- Review the Contractor's monthly performance reports and monthly risk management reports, and other deliverable reports in accordance with contract clause C.8, Summary of Contract Deliverables, and inform the CO of any schedule delays or progress problems,
- Monitor Contractor conducted testing procedures, and
- Ensure that DOE meets its compliance obligations.
3.4 Federal Project Director

The RCCC IPT consists of federal staff assigned to the office of the AMRC, and matrixed staff from other RL organizations including contracting, finance, legal, mission planning, regulatory compliance, communications, safety and health, real and personal property, etc. The FPD for this project leads the IPT and has been delegated specific project management roles, responsibilities and authorities. The responsibilities of the FPD are defined in the Richland Integrated Management System (RIMS) RL Functions, Responsibilities, and Authorities Manual (FRAM) and Roles, Responsibilities, Accountabilities and Authorities (R2A2). Interfaces between the RCCC IPT and other RL organizations are managed in accordance with RIMS and the responsibilities assigned in the FRAM.

3.5 Legal Counsel/Litigation COR

The legal counsel/litigation COR has primary responsibility for providing technical direction related to the area of litigation management and legal policy.

3.6 Industrial Relations/Human Resources

The Contractor Industrial Relations Team provides the following support to RL: (1) Administers the RL/ORP workforce restructuring program; (2) monitors Hanford labor relations programs and reviews/coordinates economic bargaining parameters; (3) serves as a member of the Labor Standard Board for review and approval of plant force work reviews; (4) oversees and approves the RL/ORP prime contractors’ personnel appendices; (5) oversees the third-party administration of Hanford contractors’ workers’ compensation claims; (6) provides lead oversight of the pension and benefits plans for Hanford Site contractors; and (7) provides lead oversight of identified DOE Closure Site legacy pension and benefits plans.

3.7 Certified Realty Specialist

The Certified Reality Specialist provides the review and approvals required to acquire, manage, and dispose of real property. They provide all approvals and recommendations to the CO. In accordance with regulations and DOE guidance, only the CO can provide approval of real estate actions to the contractor.

3.8 Property Administrator

The Property Administrator (PA) is appointed by the CO as the authorized representative assigned to administer the contract requirements and obligations relating to Government personal property, including, but not limited to, evaluating contractor personal property management programs and making recommendations concerning acceptability of the contractor property management systems. The PA develops and applies an oversight program and resolves property administration issues. The PA advises the CO and Organizational Property Management Officer (OPMO) of any contractor noncompliance with approved procedures, or other significant problems that cannot be resolved, and recommends appropriate action.

3.9 Other Contract Administration Parties

DOE-Headquarters (HQ) Office of Procurement and Assistance Management provides HQ coordination and contract management guidance for the RCCC through the RL Procurement Division. The oversight focuses on RL management of the contract.
DOE-HQ Office of Environmental Management provides overall technical guidance and direction for the RCCC through the HCA.

The Financial Management Division, Assistant Manager for Administration, is responsible for ensuring that the contractor's accounting and billing systems are adequate and reflect accurate reporting of costs along with all aspects of financial management including executing procedures, policies, and programs related to budgeting, accounting, financial review, audit, and financial analysis activities. The Financial Management Division coordinates with contractors and RL line organizations for budget preparation and tracking, and provides funds control for all RL funds.

The Defense Contract Audit Agency (DCAA), under the authority, direction, and control of the Under Secretary of Defense (Comptroller), is responsible for performing contract audits for the DOE, and providing accounting and financial advisory services regarding contracts and subcontracts for RL contract administration activities. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts.

The Small Business Administration provides review and oversight activities and may participate in compliance reviews related to the small business subcontracting plan.

4.0 CONTRACT MANAGEMENT TEAM COORDINATION

The RCCC CMT is an integral part of the overall Hanford environmental cleanup program. The CMT is responsible for assuring that the contractor delivers the products and services necessary to achieve the applicable overall Hanford acquisition plan objectives and environmental program goals defined in the contract and applicable regulatory requirements.

The RCCC CMT interfaces with associated Integrated Product Teams (IPT), other Hanford CMTs, Program Managers, the Hanford Acquisition Team, Technical Monitors, and support groups. Diagram 1 below shows the enterprise level functional relationships of the RCCC CMT.
The contract is the primary tool that the CMT and associated IPTs reference to identify that the contractor’s performance complies with the various program and project level objectives defined in the Acquisition Plan. The FPD’s membership in the CMT will bolster the CMT’s positive influence in obtaining program objectives. The RCCC CMT will coordinate with other CMTs in RL and Office of River Protection to include the River Corridor Closure Contract, Mission Support Contract, and Tank Operations Contract. The CMT will also have a direct interface with the IPT for each project within the RCCC scope. The CMT is responsible for assuring that the contractor delivers the products and services necessary to achieve the overall contract objectives and comply with applicable regulatory requirements. All members of the CMT shall routinely provide relevant information from their respective areas to the appropriate Subject Matter Expert (SME) to facilitate management of the contract. Each member of the CMT will attend regularly scheduled and ad-hoc meetings as necessary to minimize issues from occurring. If issues arise, action items will be assigned and tracked to resolve them. CMT members will effectively manage their area(s) of the contract and keep each other informed. The CO and FPD/COR will provide daily oversight of the contract and shall frequently communicate, at a minimum of once a week to remain current and actively involved. The CO will primarily seek assistance from the IPT members and engage the SME’s as appropriate to make sound business decisions.
5.0 CONTRACT IDENTIFICATION

Contractor name: Washington Closure Hanford, Limited Liability Company (WCH)
Contract number: DE-AC06-05RL14655
Contract title: River Corridor Closure Contract
Performance period: August 27, 2005, through September 30, 2015
Total contract value: Contract value and incentive fee structure are located in Section B.2 and Table B.1 respectively.
Contract type: Cost-Plus-Incentive-Fee
Contractor key personnel: Contractor Key Personnel are listed in contract Clause H.25

6.0 CONTRACT MANAGEMENT PROCESSES

6.1 Contract Transition Planning

The steps and support required by RL to facilitate the smooth transition of responsibility from BHI and FH to the new RCCC Contractor and to guide RL's review of the new Contractor's readiness to assume contractual performance responsibilities were outlined in the "River Corridor Closure Project Contract Transition Management Plan," Rev. 1, of June 2005. The plan identified key transition deliverables from the contract and the RL individuals assigned by functional responsibility. The individual assigned to manage transition activities for RL was David Evans, acting AMRC.

RL accepted the RCCC Transition Plan (BHI-01751, Rev. 1) prepared by the Environmental Restoration Management Contractor (ERMC) Bechtel Hanford, Inc. (BHI), and the Project Hanford Management Contractor (PHMC) Fluor Hanford, Inc. (FHI). The RCCC Transition Plan addressed the activities necessary for FHI and BHI to support the safe transition of RCCC workscope from the PHMC and ERMC to the RCCC Contractor.

The RCCC Contractor Transition Plan was delivered to the Government on June 14, 2005, and approved by RL on June 24, 2005. The plan detailed the RCCC Contractor's approach for accomplishing transition and assuming responsibility for the workscope from FHI and BHI. Transition activities were completed on August 26, 2005, and WCH assumed responsibility for the RCCC work scope on August 27, 2005.

During the transition period, the RCCC Contractor interfaced with FHI, BHI, PNNL, and members of the IPT as identified in the Transition Agreement (see Contract Clause C.8, Summary of Contract Deliverables). Post transition and throughout the execution of the project, the RCCC Contractor is expected to interface with the IPT, other on-site Contractors, and the regulators as approved in the Contractor's Interface Management Plan. The Contractor's proposed Interface Management Plan is part of the Contractor's Project Management Plan to be submitted to RL for review and approval 90 days after contract award.

6.2 Contract Communication Protocol

6.2.1 Formal communications with the Contractor

All formal direction to the Contractor is issued by either the DAS for Acquisition and Project Management (as HCA), and/or the CO (or the COR within designated authority). Such direction should be in writing, but may be provided orally in meetings, briefings, phone, or video conferencing. A written memorandum for the contract file should be created for such oral directions. All formal written correspondence to the Contractor should include the contract number within the subject line. Correspondence shall include the following statement, where applicable--"The Government considers this action to be within the scope of
the existing contract and therefore, the action does not involve or authorize any delay in delivery or additional cost to the Government, either direct or indirect."

The following caveat should be included within the body of correspondence issued by the COR:

"If in my capacity as a Contracting Officer's Representative (COR), I provide any direction which your company believes exceeds my authority, you are to immediately notify the Contracting Officer and request clarification prior to complying with the direction."

The CO must be on concurrence for all correspondence to the Contractor (e.g., technical direction by the COR) and receive a copy when issued. Only the CO has the authority to interpret the contract terms and conditions or make changes to the contract. A listing of RL's COs, authorities and limitations, is available on the Procurement Homepage under "CO/COR List."

To ensure correspondence control, all formal correspondence should be addressed to the Contractor's local principal executive, and cite the contract number and applicable contract clause and/or GFS/I item number in the letter's subject line. Formal communication from the Contractor should follow a formal contract correspondence tracking system with commitments appropriately assigned and tracked for timely completion.

6.2.2 Informal communications with the Contractor

Informal communications can occur between a member of the IPT and any Contractor employee. This type of communication is non-binding for both the Government and the Contractor and does not constitute contract direction (i.e., formal communication, changes to contract terms and/or conditions, or changes to contract cost/fee). Informal communication can take the form of electronic mail, retrievable databases, telephone, facsimile, presentations, meetings, and other means.

Informal communications between the IPT member(s) and Contractor staff are needed for proper oversight coordination. This communication should be constructive in nature. Avoid requesting information obtainable by other means. In their informal communications, the IPT member(s) need to avoid the impression the communications are formal. Particularly, when the COR is engaging in informal communications, s/he must be careful to identify those communications as non-binding. More specific expectations for RL interfaces with Contractors are described in the RIMS Contract Management and Oversight Performance crosscutting processes.

6.2.3 Non-RL Communications

During the performance of this contract, the Contractor will also be required to communicate with non-IPT member(s) in conjunction with its responsibilities and work scope. The following parties most likely to be involved are DOE-HQ, other Federal Agencies and offices including the Environmental Protection Agency and Government Accountability Office (GAO), other Hanford Contractors, the Defense Nuclear Facilities Safety Board, and officials from state agencies including the Washington State Departments of Ecology & Health. Because these entities are outside of the contractual relationship between the Contractor and RL, their communications to the Contractor shall not be construed as contractual direction to change the scope or terms and conditions of the contract. It is expected, however, that these interactions will be fully coordinated with the appropriate DOE-RL project and communications staff as described in RIMS Intergovernmental Affairs and Public Affairs crosscutting processes. In addition, the DOE wishes to make clear that DOE has the responsibility for setting the tone and timing for interactions with press (news media), and that any proposed communication with reporters need to be coordinated with, and approved by, DOE communications staff. Such communication includes proposed news releases, interviews, site
tours by reporters, etc. Similarly, responses to Members of Congress and their staffs are to be coordinated through DOE-RL communications staff.

6.3 Review and Administration of Government-Furnished Services and Information (GFS/I)

The Government has a responsibility to enable contract performance by ensuring that the GFS/I are available, timely and of the required quality. This is particularly important in the case of the RCCC because if GFS/I are not furnished as agreed to in the contract, the Contractor may be due an equitable adjustment in target cost. Contract **Clause C.4, Government-Furnished Services and Information (GFS/I)**, identifies all GFS/I to be furnished under the Contract as: “1) GFS/I within each subsection of **Section C.2, Description of Performance Requirements**, and 2) mandatory Hanford Site Services provided as GFS/I as described in **Attachment J-13, Hanford Site Services**. GFS/I is summarized in **Attachment J-12, Government-Furnished Services and Information (GFS/I)**.” This clause further identifies procedures allowing the Contractor to request that DOE consider providing additional GFS/I. An examples of GFS/I is approval of the RCCC contractor’s Transition Plan in which DOE is required to approve 5 calendar days after Contractor submission.

The Contractor’s property management program is governed by FAR 52.245-5 and DEAR 952.245-5 – Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts) (May 2004), contained in Contract Clause I.76 and I.100 respectively. The Contractor will establish and maintain a program in accordance with FAR subpart 45.5 and DEAR subpart 945.5. The system will be reviewed and, if satisfactory, approved in writing by the RL Organizational Property Management Officer (OPMO). Once the system is approved, it will be monitored by the assigned Property Administrator, in coordination with the OPMO, utilizing the Contractor’s Balanced Scorecard (BSC) Plan for Property Management, RIMS document Asset and Infrastructure Management, and DOE O 580.1. The Contractor submits the BSC Plan on an annual basis for approval, and conducts an annual self-assessment, utilizing the performance metrics contained in the BSC Plan. Results of the contractor’s BSC self-assessment are submitted to the Contracting Officer. If at any time WCH does not manage property commensurate to the terms and conditions to the contract their fee may be reduced depending on the severity of the infractions.

**Required government responses and approvals:** In the course of performing the contract, the Contractor is required to obtain the Government’s review and/or approval of numerous documents and management systems. It is imperative the Government provides appropriate responses within the timeframes specified by the **Contract Clause C.8, Summary of Contract Deliverables.** As described in the footnote under the “DOE Response Time” column of **Contract Clause C.8,** the time specified is the “Number of calendar days for DOE to execute its GFS/I responsibilities to provide review, approval and/or certification action on the deliverable following Contractor submission of an acceptable product; or DOE comments on the deliverable following Contractor submission of an unacceptable product that will require revision and re-submission for DOE review, approval, and/or certification action.” It is also expected that reviews of key Contractor management system documentation, such as the ISMS description and the Project Management Plan, be conducted with the Contractor prior to formal submittal by the Contractor for review and approval. IPT members’ responsibilities are defined in the FRAM and RIMS Core R2A2s.

**GFS/I Response Time:** Contract Clause C.8, Summary of Contract Deliverables, clearly spells out the GFS/I responsibilities for review and approval of Contractor deliverables. The response time is given in calendar days, and in some cases, the response time is very short, such as the approval of the Transition Plan, required 5 days after submission of an acceptable product. For this example, DOE can lose more than ½ of the time allotted for their response if the deliverable is received on a “Friday off,” and the two weekend days are included in the 5 day calculation. Communication with the Contractor and within the organization will be essential to managing the requirement to deliver GFS/I to avoid a basis for equitable adjustment claims.
As a reminder, the only way in which GFS/I can be modified is through the CO, via letter or contract modification. As with other contracting changes, only those changes agreed to by the CO are binding.

6.4 Method for Monitoring Performance-Based Objectives

The RCCC does not utilize individually defined performance-based contract incentives. The RCCC instead utilizes the cost incentive inherent in a CPIF contract type and schedule performance incentive fees, as identified in contract Table B.1, Incentive Fee Structure.

Chapter 5, Subparagraph 5.5, Contractor Performance Evaluation, in the Columbia River Corridor Project Execution Plan (PEP), and the crosscutting guidance in RIMS under Contractor Integrated Performance Evaluation, describe how Contractor performance will be measured and assessed by the IPT against the performance standards and expectations in the contract. These are tools to help the FPD/COR ensure that effective and systematic evaluations of the Contractor’s performance are accomplished.

RL is implementing a tailored performance monitoring and evaluation approach focusing on areas of greatest significance and risk while relying on a planned approach to ensure that the balance of the Contractor’s overall performance is addressed. RL’s tailored approach to monitoring and evaluation is based on:

- an understanding of the performance-based nature of the contract,
- the knowledge of the Contractor’s baseline in response to the statement of work,
- the awareness of the type and level of associated risks and hazards,
- an insight on the technical and management approaches to mitigating programmatic risks and controlling hazards, and
- the familiarity with the Contractor’s approved management systems (particularly ISM and project management controls, including areas where the Contractor may be inclined to submit requests for equitable adjustment REA).

Increased monitoring and evaluation efforts are placed on those areas where there are indications of poor or suspect Contractor performance indicated by Contractor’s self-assessment or by the IPT’s surveillance and analysis.

In general, RL’s intent is to minimize the level of direct Government involvement and allow the Contractor to perform to meet the contract requirements. RL’s goal is to reduce monitoring and evaluations when the Contractor demonstrates an effective self-assessment program including self-identification, taking appropriate corrective actions, and successful follow-on action to prevent recurrence and improve performance. If the Contractor’s performance is deficient, and it appears the Contractor’s management processes have not produced the desired result(s), RL can increase the level of monitoring and evaluations in order to protect the Government’s interests.

Monitoring and evaluation is directed mainly on those areas contributing to results/outcomes for achieving closure of the river corridor and accomplishing this work in a safe, secure, and quality manner. Project and technical management assessments are performed on the Contractor’s ability to deliver quality products and services, and achieve and maintain adequate progress toward meeting technical, cost, and schedule objectives. Awareness of the effectiveness and efficiency of the Contractor’s management systems are focused on the Contractor’s implementation and effectiveness of their ISMS. This includes evaluation of ESH&Q compliance in areas such as worker health and safety including the flow-down of safety requirements to subcontractors; facility safety, operations, and maintenance; radiological controls; packaging and transportation; quality; and environmental management.
6.5 Inspection and Acceptance Process

As stated in **Section E** of the contract, the Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that does not unduly delay the work.

A tailored performance evaluation approach focuses on areas of greatest significance and risk while relying on a planned approach to ensure that the balance of the contractor's overall performance is addressed. RL's tailored approach to evaluation is based on:

- An understanding of the performance-based nature of the contract;
- knowledge of the contractor's baseline in response to the SOW;
- awareness of the type and level of associated risks and hazards;
- insight on the technical and management approaches to mitigating programmatic risks and controlling hazards;
- familiarity with the contractor's approved management systems (particularly integrated safety management and project management control) and
- overall public and GAO/IG scrutiny of the use of ARRA funds.

Increased evaluation efforts are placed on those areas where there are indications of poor or suspect contractor performance, indicated by contractor self-assessment or by IPT surveillance and analysis. The level of review is reduced when there are indications that the contractor's performance is strong and the contractor's self-assessment and corrective action programs are effective. In general, DOE's intent is to minimize the level of DOE involvement and allow the contractor to perform to, or exceed, the contract requirements. DOE’s goal is to reduce evaluations when the contractor demonstrates an effective self-assessment program that includes self-identification, taking appropriate corrective actions, and successful follow-on action to prevent recurrence and improve performance. If the contractor's performance is deficient, and it appears that the contractor's management processes have not produced the desired result(s), DOE can increase evaluations in order to protect the Government's interests. Additional DOE inspection and acceptance rights can be found in Section E of the contract.

In accordance with RIMS Procedure PRO-030, "Contractor Performance Reporting," the CO, together with AMRC, will report through the current DOE past performance reporting system, at intervals required by regulation and DOE procedure.

6.6 Invoice Review

**Cost Invoices:** Under this contract, the Contractor does not submit cost invoices. Attachment J-7, *Special Financial Institution Account Agreement*, has been completed by the Contractor. The contract allows the Contractor to draw funds each month from a "checks-paid method of payments cleared financing arrangement", a special bank account agreement, also known as the letter of credit (LOC) arrangement. This arrangement requires the Contractor to submit an electronic break down invoice for costs that are withdrawn from the bank account each month, versus the invoice under a non-letter of credit type contract. However, because of this arrangement, RL established a process to ensure that the Contractor does not withdraw funds for unallowable or out of scope work. This includes RL and DCAA oversight and audit of the Contractor's accounting system.

DCAA will perform incurred cost audits annually, and reviews indirect rates, costs, and accounting systems as requested and coordinated by FMD. In addition, the project managers perform various reviews from a technical perspective to ensure performance has been achieved. This includes waste site remediation completion verification and facility D4 validation. These activities are normally performed by staff field visits as needed. Additionally, the RL program staff and the contracting officers (COs) attend
the Contractor's monthly project review and review the associated cost, schedule and technical reports. The program office and the COs ensure, on a quarterly basis, that the applicable quarterly performance milestones have been achieved in support of Contractor cost and fee payments.

The "electronic drawdown" of costs from the LOC received from the Contractor is posted on a monthly basis on the following website: http://www.wch-rcc.com/invoice/. This website is available to both the COR/FPD and the cost and price analyst located in Financial Management Division. The COR/FPD and the C/P Analyst is required to perform cost reviews on a quarterly basis to ensure the costs are reasonable, allocable, and allowable. Indirect costs will be determined reasonable based upon DCAA determination of indirect rates and approval of the Contractor accounting systems and controls. Direct (Project) Costs will be reviewed by FPD or appointees, who are asked to certify to the best of their knowledge that the costs meet the requirement of FAR/DEAR part 31; 1) the types and quantities of resources used were appropriate for the workscope completed, and 2) the work completed was within the contract scope.

On a quarterly basis, the C/P Analyst will randomly select several cost items per month and send the selected items to the Contractor and request back-up documentation to support the costs. The Contractor notifies the C/P Analyst when the supporting documentation is ready for review. Upon review, if the C/P Analyst has any questions/comments/concerns, they are forwarded to the Contracting Officer for disposition.

While reviewing the monthly costs, reviewers should contact the Contractor Point of Contact (POC) if questions arise during their review. Issues that cannot be resolved with the POC should be referred to the CO. After their review, the COR/FPD will submit the following statement to the CO-- "Subject to audit, I certify that my preliminary review of the equipment/materials/services reflected in this electronic statement of costs on LOC, for this period and under my area of responsibility, are consistent with the terms and conditions of the contract." Reviewers will be asked to provide their comments to the CO by the requested date, usually two weeks after the date of the CO's request. Review comments may be provided by hard-copy or email.

6.7 Fee Administration

The RCCC is structured to ensure a strong financial motivation for the Contractor to achieve RL goals for project cost, schedule, and technical performance. As described in Clause B.7, Incentive Fee Payments, twenty-five percent (25%) of the Contractor's interim cost performance fee is held at risk subject to the successful completion of the RCCC.

The target cost and fee are specified in contract Clause B.12, Final Fee Determination. These amounts can be modified by the CO when necessary to make the authorized adjustments in accordance with contract Clause I.22(d), Incentive Fee (Equitable Adjustments). Contract clause I.22 (e) identifies a cost performance incentive to assure that RL and the Contractor share in the cost underruns or overruns from the target cost. If the actual cost at contract completion is below or above the target cost, the earned cost performance fee will be adjusted upward or downward on a Government/Contractor cost share ratio (80%/20%). Ultimately, the total amount of fee the Contractor earns will be determined at contract completion.

The Contractor may earn and be paid for interim fee in accordance with contract clause B.7, Incentive Fee Payments. The Contractor may submit invoices quarterly for interim fee payments. The Contractor submits the invoice electronically utilizing the Vendor Invoice Approval System (VIAS). An electronic copy is submitted concurrently to the Contracting Officer and the FPD/COR. Upon receipt of an acceptable invoice for fee payment, the CO will assess the need for adjustments. The Contracting Officer
follows the Procurement Division procedure PRO-020 to process the fee invoice. The Contracting Officer coordinates completion of the Invoice Review Checklist with the FPD/COR. The FPD/COR provides documentation to the Contracting Officer that the Contractor has met the requirements in B.7(c)(7)(i) and (ii). Unless the CO elects to do otherwise, and as set forth elsewhere in this contract, fee payments will be made quarterly, within 30 calendar days after the Contractor submits an acceptable invoice.

Interim fee payments may be reduced if the Contractor does not meet the requirements of the contract clauses identified in contract Clause B.6, Incentive Fee Calculation. This is an overall reduction in earned fee that cannot be recovered through future performance. As an example, if the Contractor does not meet minimum safety requirements, RL may impose a unilateral permanent reduction in the Contractor’s earned fee. However, the total amount of fee payable under this contract including fee withhold shall not be less than the minimum fee.

In addition to cost performance fee, the RCCC incorporates schedule performance fee, by contract line item number (CLIN), for completion ahead of the schedule established in contract Table B.1, Incentive Fee Structure. For example, if the Contractor completes CLIN 1 by March 31, 2012, 2 ½ years ahead of schedule, the Contractor can earn $25.9 million in fee regardless of cost performance.

Maximum and minimum incentive fees are also identified in contract Table B.1, Incentive Fee Structure. The Contractor has the opportunity to earn a maximum of cost performance fee of up to 13.5% of target cost; when cost performance and schedule performance fees are combined, the Contractor may earn a maximum of 15% total fee. The contract minimum fee is zero, which means the Contractor has the risk of losing all fee.

6.8 Contract Change Control Process

The structure for managing baseline change control relating to scope, cost, and schedule, as well as mitigating variances to approved baseline scope, cost, or schedule is explained in the RIMS RL Integrated Baseline Management crosscutting process. IPT members’ roles and responsibilities with respect to change control are defined in the FRAM and RIMS Core R2A2s. Specific assignments by functional responsibility can be found in the RIMS Service Directory.

There should be a correlation between the contract target cost and fee and the contractor's project performance measurement baseline. The contractor's project performance measurement baseline target cost, plus management reserve (contractor's contingency), should equal the contract's total target cost and fee.

Changes to project performance measurement baselines or the receipt of a revised baseline from the contractor, does not constitute a contract change or a change proposal. RL COs are not authorized to modify a contract's estimated cost and fee/price or contractually-required delivery dates/schedules based on a contractor's initial or revised project performance measurement baseline, even if the baseline has been validated by DOE's Office of Engineering and Construction Management. In addition, a validated contractor project performance measurement baseline does not remove the CO's responsibility for evaluating and negotiating outstanding contract changes and requests for equitable adjustment (REAs), even if the contractor may have accounted for these items in the revised baseline.

Changes to the performance measurement baseline that impact the RCCC cost, fee, schedule, and/or SOW require identification as such on the change control form and require resolution through the RCCC CO and appropriate contract change order processes. The structure for managing baseline change control relating to scope, cost, and schedule, as well as mitigating variances to approved baseline scope, cost, or schedule is explained in the RIMS RL Integrated Baseline Management crosscutting process. Upon receipt of a request to issue a directed change, the CO will confer with the FPD and other members
of the CMT to determine the recommended path forward. The FPD will prepare a change control form stating the necessity for change; justification for change; and include an Independent Government Estimate (IGE) and schedule impact. If possible, the IGE shall address the impact of the original planned method of performance and effect on continued performance. Using the IGE the CO will determine if the change is likely to fall within local authority. If it appears to be over local authority limits, the CO together with the FPD will brief the acquisition executive (AE) on the nature of the change and necessity to provide notice to proceed prior to price agreement.

Once authorized, the CO will issue the directed change using the SF 30 which will include a not to exceed (NTE) limit on costs incurred prior to agreement. The NTE amount should be sufficient to allow the contractor to re-plan the work, prepare detailed cost and schedule estimates, and if necessary, initiate new long lead procurements, fund subcontract and supplier initial costs, and reopen the design process. The contractor may request additional funding if other initial activities are needed. The transmittal letter to the SF 30 should establish a suspense date for the contractor to submit their detailed proposal. Normally this is 30 days; however, complex changes may require additional time. To the maximum extent practicable, changes shall be definitized within 180 days.

6.9 Review of Contractor’s Requests for Equitable Adjustments

A crosscutting process for evaluating REAs has been incorporated into RIMS under the RL Integrated Baseline Management process.

6.10 Contractor Litigation Management

10 C.F.R. 719 establishes DOE regulations covering Contractor legal management requirements. The RIMS Litigation Management - Contractor crosscutting process was written to assist personnel in controlling and overseeing litigation costs for which the Contractors seek reimbursement under the terms of their contracts, including general legal services. The regulation also details further procedures when the Contractor’s legal costs over the life of the matter are expected to exceed $100,000.

6.11 Contractor Employee Claims System

RL is a group self-insurer for purposes of workers’ compensation coverage and is responsible for making quarterly payments to the Washington State Department of Labor and Industries. Contract Clause H.6, Workers’ Compensation, requires that the Contractor withhold appropriate employee and employer contributions and forward them on a timely basis to RL. This clause also references various reporting requirements, payroll certification requirements, and the annual evaluation and analysis of workers’ compensation claims which help to ensure appropriate processing of workers’ compensation claims. The RL Finance Division regularly reviews workers’ compensation payments (monthly) in the process of monitoring and funding the accounts from which claims are paid. The individual responsible for managing RL’s workers’ compensation program is identified in the RIMS Service Directory.

6.12 Proposed Settlement of Costs for Post Contract Liabilities

As this is a closure contract, the Contractor is requested to identify post contract liabilities with adequate documentation supported by a reasonable audit trail as to measurement, composition, cost methods, and actuarial assumptions in accordance with contract clause 1.21, FAR 52.216-7, Allowable Cost and Payment, and Clause H.2 (b), Pay And Benefits.

6.13 Contract Records

All records acquired or generated by the Contractor in performing this contract are the property of the Government. These records must be made available to the Government in accordance with contract
Clause I.13, FAR 52.215-2, Audit and Records-Negotiation and Government ownership is defined in Clause I.105, DEAR 970.5204-3, Access to and Ownership of Records. Additionally, contract Clause H.8 states that Occupational Health and Records and Radiation Exposure Records, all occupational health records generated during the performance of Hanford-related activities be maintained by the Occupational/Medical Services Contractor and are the property of DOE. All radiation exposure records generated during the performance of Hanford-related activities are the property of DOE and are maintained by Battelle staff at PNNL.

6.14 Contract Closeout

When the Contractor has completed the work scope, the process of verification of contract completion and initiation of contract closeout can commence. Contractual closeout includes resolution of unresolved claims, release of the government from continuing liabilities, other legal activities needed to end the contractual relationship, and final fee determination. RIMS provides guidance for the major elements of contract closeout in the PRO-007, Closeout of Contract and Financial Assistance Files crosscutting process. Contract closeout shall conform to the requirements of FAR Part 4.804, Closeout of Contract Files.

7.0 CONTRACT DELIVERABLES AND PERFORMANCE RISK AREAS

As stated in Section 5.0 of this plan, the RCCC utilizes the cost incentive inherent in a CPlF contract type and schedule performance incentive fees, as identified in contract Table B.1, Incentive Fee Structure, to drive performance, cost savings, and schedule acceleration instead of individually defined performance-based contract incentives.

7.1 Near-Term Contract Deliverables and Hold Points

Contractor deliverables are found in the contract, Section C, Clause C.8, Summary of Contract Deliverables. These deliverables are not repeated in this plan. For the most current list, review contract Clause C.8 of the conformed contract available on the Hanford homepage. The CO or COR, supported by the IPT is responsible for receipt and inspection of Contractor deliverables.

7.2 Key Contract Vulnerabilities or Performance Risk Areas

RCCC vulnerabilities and performance risks are identified in Appendix B of the Columbia River Closure Project Execution Plan (PEP) dated November, 2007. Analysis of the risks identified for this project was completed and are identified in the attachment to Appendix B, “Full Active Risk List, River Corridor Closure Project Risk Database.” Due to the sensitive nature of the attachment it is available from the FPD, but it is not included in this CMP. These vulnerabilities and risks will be managed by the process as defined in PEP Section 6.0, Subparagraph 6.5, Contingency/Risk Management.

7.2.1 Project Visibility

The purpose of this Contract is to close the Hanford Site River Corridor (RC), approximately 210 square miles of the Hanford Site along the Columbia River. This area represents more than one-third of the geographical area of the Hanford Site. It is imperative to DOE’s reputation to clean up the river corridor to a condition suitable for preservation, conservation, recreational, and industrial uses as appropriate, in an environmentally sound, safe, secure, and cost-effective manner.

7.2.2 Project Uncertainties

To complete Contract Line Item (CLIN) 3, the 618-10 and 618-11 burial grounds, the Contractor must submit a separate comprehensive 600 Area Remediation Design Solution for DOE approval (Deliverable C.2.2.2). Characterization and remediation of this area is expected to be complex and highly specific.
DOE will separately authorize all 600 Area Field Remediation as described in the Section B clause entitled DOE Authorization of CLIN 2 and CLIN 3.

7.2.3 Major Performance Risk Areas
The Contractor must develop a system to evaluate and effectively mitigate project risk, provide monthly reports, and include the Risk Management Approach (Deliverable C.6.1) in the Project Management Plan. Specific details of the items which must be addressed in the monthly Risk Management Report are provided in contract Section C, clause C.6, Risk Management. Several performance risks which are outside of the Contractor's control may impact the Contractor's ability to complete the RCCC.

Contract Clause C.2, Activity 4, identifies project turnover dates from an incumbent Contractor for the K-Basins in 2006 and 2007. Current incumbent estimates are showing that these activities are further behind and will not be ready for turnover to the RCCC.

Additionally, this clause identifies facilities in the 300 area that are currently occupied by the Pacific Northwest National Laboratory (PNNL). It is likely that the release of these facilities for demolition by the Contractor will be delayed if suitable new facilities have not been built.

Another risk associated with performance under this contract is the cultural and ecological significance of the geographical area. Culturally significant sites have been found in this area, and additional discoveries could be made during remediation activities. Similarly, since parts of the Hanford Reach are undisturbed shrub-steppe, ecological discoveries could delay or halt contract activities.

8.0 STRATEGY FOR COST REDUCTION
As a strategy for cost reduction, removal of non-value added requirements is an on-going effort. The Requirements Management crosscutting process within RIMS contains RL's procedures for directives/requirements management.

9.0 KEY PERFORMANCE METRICS FOR DETERMINING CONTRACTOR PROGRESS
The concepts of Earned Value performance metrics management will be utilized to determine Contractor progress and make provisional fee payments, as described in contract clause B.7, Incentive Fee Payments.

Contractor progress and earned fee are determined by the Contractor's success in meeting the work scope as defined in Section C as well as compliance with other contract requirements. The IPT will evaluate the Contractor's reported progress and factor the results into the determination of provisional fee in accordance with the contract.

10.0 AGREEMENTS WITH STATE, COMMUNITY, OR OTHER ENTITIES
As identified in contract Clause C.1, paragraph C.1.2, End-States, "The current regulatory framework to achieve Hanford Site remediation is established in the Hanford Federal Facility Agreement and Consent Order, commonly known as the Tri-Party Agreement (TPA), entered into by DOE, the U.S. Environmental Protection Agency Region 10 (EPA), and the Washington State Department of Ecology (WDOE). " Clause C.2, Description of Performance Requirements, describes the regulatory requirements related to TPA compliance. Contract Clause H.12, Environmental Responsibility, further directs the Contractor "to plan and perform the work under this Contract in accordance with the TPA and achievement of current and future milestones in the TPA."
11.0 OTHER SPECIAL EMPHASIS AREAS

11.1 Contract Startup

An organized and well-implemented contract startup is an essential element contributing to the overall project success. Many of the protocols to be used for the duration of the contract are established during contract startup. Major elements of contract startup are described in the RIMS Contract Startup procedures.

11.2 Post Award RL Orientation

The IPT members received a post-award briefing during contract transition to familiarize IPT members with the contract and associated roles and responsibilities as defined under this CMP according to functional responsibilities defined in the RIMS FRAM and Core R2A2s. It was emphasized that all IPT members performing contract administration need to read the entire contract and CMP. Unique aspects of contract administration related to the contract (e.g. fee or REA evaluation) were identified.

11.3 Post-award Conferences with Contractor

Shortly after award of the contract, conferences were scheduled with members of the Contractor’s management team and appropriate members of the IPT to coordinate the transition and the startup of contract performance. Coordination meetings between the Contractor’s management team and the key members of the IPT occur weekly. Functional area and subject matter meetings are held as needed, coordinated through the AMRC.

11.4 Nuclear Safety

Temporary or permanent exemptions to the nuclear safety requirements will be obtained from EM-1 as required by 10CFR820 Subpart E.

11.5 Post Contract Liabilities

Post-contract liabilities include site pension and retiree medical expenses for vested incumbent employees who continue participation in the Hanford Site Pension Plan (HSPP) and Hanford Employee Welfare Trust (HEWT) Plan. The Contractor is required to be a sponsor on both the HSPP and HEWT (Contract Clause H.2). As a plan sponsor, the Contractor will be responsible to provide employee participant information to the plan administrator as needed and reimburse the plan administrator for the Contractor’s apportionment of annual plan contributions expenses. Contract Clause H.2, Pay and Benefits, paragraph (e) requires the Contractor to continue administering these plans for vested retirees under the RCCC unless other arrangements are made by the government.

11.6 Contractor Subcontract Management

The Contracting Officer will manage the Contractor’s subcontracts in accordance with contract clause FAR 52.244-2 “Subcontracts (Aug 1998) – Alternate II (Aug 1998)”. The Contractor must submit subcontract packages to the Contracting Officer for written consent prior to placing subcontracts as specified in 52.244-2(e). The Contractor must also provide advance notification to the Contracting Officer in accordance with 52.244-2(f).

Upon receipt of the Advance Notification, the Contracting Officer shall review the notification to ensure it includes, at a minimum, the information required by the clause. After review of the Advance Notification, the Contracting Officer for any reason may require the Contractor to submit the subcontract/modification
package in its entirety for Contracting Officer consent prior to placement, regardless of the contract type or dollar amount.

If a subcontract or modification is required to be submitted for Contracting Officer consent, the Contracting Officer must ensure the submittal includes adequate information for review in accordance with PRO-045A “Review Requirements for Contracts, Subcontracts, and Financial Assistance Agreements”, and the DOE Acquisition Guide Chapter 71 “Review and Approval of Contract and Financial Assistance Actions”. The Contracting Officer will then process the package in accordance with the same guidance.

It should be noted that if the Contractor must submit a package for consent, it should be submitted in two phases: 1) the first phase is a submittal of the package with all documentation available just prior to issuance of the solicitation, to include the solicitation (RFP, IFB, RFQ, etc.) itself; and 2) the complete package just prior to award, to include the award document (subcontract or modification).