



Mission Support Alliance Provision

SPECIAL PROVISIONS – TIME AND MATERIALS (T&M)/LABOR HOUR (LH) SUBCONTRACT TYPES

SP-19 REV. 2 January 11, 2013

1.0	PREAMBLE	2
2.0	SUBCONTRACT TYPE.....	2
3.0	SUBCONTRACTOR INVOICES	2
4.0	TRAVEL	4
5.0	AUDIT	6
6.0	REFUNDS	6
7.0	FINAL PAYMENT	7
8.0	LIMITATION OF FUNDS.....	7



Mission Support Alliance Provision

1.0 PREAMBLE

These Special Provisions are requirements of any Subcontract in which this Special Provision document is incorporated. These Special Provisions are applicable in their entirety unless specifically deleted or amended in the Subcontract and are in addition to the General Provisions and other Special Provisions that apply to this Subcontract. In the event of a conflict between these Special Provisions and the General Provisions, these Special Provisions shall take precedence.

2.0 SUBCONTRACT TYPE

- A. Unless otherwise identified and provided for in the body of this Subcontract, this Subcontract is a **Labor-Hour Subcontract** and direct labor hours are to be provided at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit.
- B. Other Direct Costs (ODCs) may only be charged to the Subcontract if specifically identified and authorized by the Buyer at the time of Subcontract award or by amendment to the Subcontract, and/or the Buyer has identified the Subcontract type as **Time and Materials (T&M)**.
 1. ODCs must be allocable, allowable, and reasonable.
 2. ODCs may include direct materials and/or lower-tier subcontracting.
 3. Direct materials/ODCs, as used in this Clause, are those materials which enter directly into the end product, or which are used or consumed directly in connection with the furnishing of the end product.
 4. Material Handling/General and Administrative Expenses may only be added to ODCs when:
 - a. Proposed and agreed at the time of Subcontract award;
 - b. The Subcontractor already has an established cost recovery account that accumulates the Subcontractor's costs for obtaining material or incurring other direct costs. This account must be exclusive of all other cost recovery accounts and cannot be recovered in the labor hour rate, and;
 - c. The costs are consistent with the Federal Acquisitions Regulations (FAR) Part 31.

3.0 SUBCONTRACTOR INVOICES

- A. The Subcontractor's invoice(s), as a minimum, shall identify the Subcontract, release and item number(s) (as applicable) for which payment is being requested. If billing is for an individual, identify his or her personal name, number of hours worked by date, hourly rate, and a brief statement detailing the work performed. Invoiced rates and any ODCs must be specifically authorized by the Subcontract based on the Subcontract type. Any



Mission Support Alliance Provision

authorized travel must be itemized and supported with receipts in accordance with the requirements set forth under the “Reimbursement of Travel Expenses” clause herein or as otherwise identified under this Subcontract. Unauthorized deviations may result in disapproval of the invoice, or reduction in payment until the required supporting documentation is provided.

- B. Submittal of an invoice constitutes Subcontractors certification that materials, work and/or services have been delivered as specified on the invoice in accordance with the Subcontract. Submit the original invoice and supporting documentation to the following address:

Mission Support Alliance, LLC
Attn: Accounts Payable
2490 Garlick Blvd
MSIN G1-80
PO Box 650
Richland, WA 99352

- C. Buyer may withhold 5 percent of the amounts due under this Subcontract, but the total amount withheld shall not exceed \$50,000.00. The amounts withheld shall be retained until the execution and acceptance by the Buyer of a final release by the Subcontractor as provided below.

- D. Fully Burdened Hourly Rate

Unless specified otherwise, the invoiced amount shall be computed by multiplying the appropriate hourly rate prescribed in the Subcontract therein by the number of direct billable labor hours. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis. The Subcontractor shall substantiate invoices by evidence of actual payment for ODCs and by individual daily job timecards, or other substantiation approved by the Buyer.

- E. Other Direct Materials

1. Allowable costs of ODCs shall be determined by the Buyer in accordance with subpart 31.2 of the FAR in effect on the date of this Subcontract.
2. When approved in advance, reasonable and allocable material handling costs or general and administrative expenses may be included in the charge for material/ODCs to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Subcontractor’s usual accounting practices consistent with the FAR subpart 31.2.
3. The Subcontractor will apply no element of profit to direct materials or ODCs.



Mission Support Alliance Provision

4. The Subcontractor shall be reimbursed for items and services purchased directly for the Subcontract only when cash, checks, or other forms of actual payment have been made for such purchased items or services.
5. Reimbursable costs shall not include any costs arising for the letting, administration or supervision of performance of the Subcontract, if the costs are included in the fully burdened hourly rates identified in the Payment Schedule identified in this Subcontract.
6. To the maximum extent possible, the Subcontractor shall obtain materials and services at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials; and obtain all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. Credit shall be given to the Buyer for cash and trade discounts, rebates, allowances, credits, salvage, the value of any appreciable scrap, commissions, and other amounts that have accrued to the benefit of the Subcontractor, or would have accrued except for the fault or neglect of the Subcontractor. The benefits lost without fault or neglect on the part of the Subcontractor, or lost through fault of the Buyer, shall not be deducted from gross costs.

4.0 TRAVEL

A. General Reimbursement Policy

1. Travel expenses will be reimbursed **only** when authorized in advance by the designated Contract Specialist for this Subcontract. Expenses must be in accordance with the Federal Travel Regulations (FTR), this clause, and any other Subcontract provisions agreed upon prior to traveling. Reimbursement for travel under this Subcontract is strictly limited to costs incurred for lodging, meals, and incidental expenses deemed reasonable, allowable, and allocable under the FTRs and this Subcontract. Costs may be based on per diem, actual expenses or a combination of both provided that costs shall be considered to reasonable and allowable only to the extent that they do *not exceed* on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the FTR. Links to the [FTRs](#) and [current per-diem rates](#) can be found on the GSA web site (www.gsa.gov).
2. At all times, the Subcontractor is expected to take reasonable steps to minimize the amount of travel expenses (i.e. booking all travel at least 14 days in advance). Submittal of an invoice to the Buyer that includes travel expenses signifies Subcontractor's certification to the above. Failure to comply with these provisions may cause any request for travel reimbursement to be denied.

B. Time Limitations

1. Domestic Extended Personnel Assignments



Mission Support Alliance Provision

- (a) Domestic extended personnel assignments are defined as any assignment of subcontractor personnel to a domestic location different than their normal duty station for a period expected to exceed 30 consecutive calendar days.
 - (b) For personnel on approved domestic assignments, Subcontractors will be reimbursed the lesser of temporary relocation costs (FTR 302-3.4 – 302-3.429) or a reduced per diem as described in subparagraphs (c) and (d) below.
 - (c) Lodging -For the first 60 days and last 30 days of the assignment, the Subcontractor will be reimbursed costs associated with lodging at the lesser of actual cost or 100% of the Federal per diem rate at the assignment location. The intervening days will be reimbursed at the lesser of actual cost or 55% of Federal per diem rate for lodging.
 - (d) Meals and Incidentals - For the first 30 days and last 30 days of the assignment, MSA will reimburse costs associated with meals and incidental expenses (M&IE) at the lesser of actual cost or 100% of the Federal per diem rate at the assignment location. The intervening days will be reimbursed at the lesser of actual cost or 55% of Federal per diem rate for M&IE.
 - (e) Trips Home – One trip home, to the primary residence, after each four consecutive weeks of assignment at the Hanford Site is reimbursed when preapproved by MSA subject to the following:
 - (1) While traveling and at home, no per-diem expenses are reimbursable and no labor time will be billed to MSA.
 - (2) Coach airfare will be via the most direct route in accordance with FTR guidelines. The Subcontractor is expected to book travel at least two (2) weeks in advance in order to secure the cheapest airfare.
 - (3) Trips home are neither “bankable,” transferable nor cumulative.
2. Longer Term Assignment (three hundred sixty-six (366) days and over): For any assignment exceeding 365 days, the Subcontractor will not be reimbursed any costs associated with lodging, meals and incidentals or trips home. If an assignment has breaks within a three year period, the calculation of the total length of the assignment will be as follows: If the break between the assignments is less than 12 months, MSA will consider the assignment continuous for the purposes of the three year clock. If the break is greater than 12 months, the assignments will be considered as separate assignments for purposes of the three year clock.
3. Intermittent Travel



Mission Support Alliance Provision

- (a) For Subcontractor personnel on intermittent travel directly required by MSA to the same domestic location for less than 30 consecutive calendar days, the Subcontractor will be reimbursed as set forth in paragraph A above, unless the provisions of subparagraph 3 (c) below apply.
 - (b) If any intermittent travel assignment includes trips that are in excess of 30 consecutive calendar days to the same domestic location, then the rules on Domestic Extended Personnel Assignment per B.1 and B.2 above will apply. If the Subcontractor believes it is not practical or cost effective to obtain long term lodging, the Subcontractor may request a specific preapproval to waive this restriction. Until such approval has been granted, costs for travel will be treated as set forth in B.1 and B.2 above.
 - (c) If there is a Subcontract requirement for recurrent intermittent travel of less than 30 consecutive days per trip to the same domestic location over a period of 6 months or more, a cost analysis will be mutually performed to determine if the use of long-term lodging would be more cost effective. If it is determined that the use of long-term lodging is more cost effective, the travel costs shall be reimbursed in accordance with the requirements of Paragraph B.1 above.
- 4. Previous Contractual Arrangements – for all Subcontractors under per diem arrangements prior to October 23, 2012, existing assignments will be transitioned to the new policy after given ninety (90) days notice. In the case of assignments with less than 90 days term remaining before renewal, the existing reimbursement scheme will carry forward into the renewal period until the 90 day notice period has elapsed.
 - 5. Subcontract Renewals - upon renewal of a MSA Subcontract with the same Subcontractor, individuals of that Subcontractor working to the same work scope, unless there has been a break of more than 12 months, the per diem limitations set forth herein will continue to apply based on the initial Subcontract award date that started the effort.

5.0 AUDIT

At any time before final payment under this Subcontract, the Buyer may request audit of the invoices and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices, that are found by the Buyer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments.

6.0 REFUNDS

The Subcontractor agrees that any refunds, rebates, or credits (including any related interest) accruing to or received by the Subcontractor or any assignee, that arise under the materials



Mission Support Alliance Provision

portion of this Subcontract and for which the Subcontractor has received reimbursement, shall be paid by the Subcontractor to the Buyer.

7.0 FINAL PAYMENT

- A. All invoices and charges against this Subcontract must be submitted within 60 days of completion of the work unless a longer period of time is authorized by the Buyer. Unless otherwise notified and agreed in advance, the Buyer will begin the closeout process for this Subcontract at the end of this 60-day period and no additional invoices or charges may be submitted.
- B. The Buyer may, as a precedent to final payment under this Subcontract, request the Subcontractor to execute and deliver a release discharging the Buyer, the Government and their officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this Subcontract.

8.0 LIMITATION OF FUNDS

- A. The Subcontract specifies the dollar amount authorized on this Subcontract, the items covered, and the period of performance the amount will cover. The Subcontractor agrees to perform, or have performed, work on the Subcontract up to the point at which the total amount paid and payable under the Subcontract, approximates, but does not exceed the total amount authorized on the Subcontract.
- B. When the parties have negotiated a total award value which exceeds current funding, the authorized funds on the resulting Subcontract may be limited using a limitation of funding clause.
- C. The authorized funding shall be considered a ceiling price which may not be exceeded until the Buyer notifies the Subcontractor in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this Subcontract.
- D. The Subcontractor shall notify the Buyer identified in the Subcontract, in writing, whenever it has reason to believe that the costs it expects to incur under this Subcontract in the next 30 days, when added to all costs previously incurred, will exceed 75 percent of the total amount so far allotted to this Subcontract. The notice shall state the estimated date when such allotted amount will be reached and estimated amount of additional funds required to continue performance for the period specified in the payment schedule. If, after such notification, additional funds are not obligated by the end of the estimated reach date or by an another agreed upon date, the Buyer shall upon Subcontractor's written request, terminate this Subcontract on the performance end date or the date set forth in the request, whichever is later, pursuant to the provisions of the Termination Clause of this Subcontract.
- E. Except as provided by other provisions of this Subcontract, specifically citing and stated to be an exception to this Clause:



Mission Support Alliance Provision

1. The Buyer is not obligated to reimburse the Subcontractor for costs incurred in excess of the total authorized funding, and
 2. The Subcontractor is not obligated to continue performance under this Subcontract (including actions under the Termination Clause) or otherwise incur costs in excess of the allotted amount of this Subcontract, until the Buyer notifies the Subcontractor in writing that the allotted amount has been increased and specifies the revised total allotted amount.
- F. No notice, communication, or representation in any form or by anyone other than the Buyer shall affect the authorized amount of this Subcontract. In the absence of the Subcontractor's notification as described above, the Buyer is not obligated to reimburse the Subcontractor for any costs in excess of the total authorized funding, whether incurred during the course of the performance period, a termination, or as the result of an audit.
- G. When, and to the extent that the amount authorized by the Buyer is increased, any excess costs the Subcontractor incurred before this modification shall be allowable to the same extent as if incurred afterward, unless this Subcontract was terminated.
- H. Change Orders shall not be considered an authorization to exceed the authorized amount specified in the payment schedule, unless they identify an increased funding amount.