

**WASHINGTON RIVER PROTECTION SOLUTIONS (WRPS)
 COST REIMBURSEMENT CONTRACT TYPE
 SUPPLEMENTAL PROVISIONS
 May 15, 2019 Revision 8**

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DEFINITIONS

Whenever used in this document, the following definitions shall apply unless the content indicates otherwise.

Authorized Procurement Representative. The term “authorized procurement representative” shall be a person with authority to enter into and administer Subcontracts and make related determinations and findings. These individuals are identified with the associated authority in the body of the Subcontract.

Buyer’s Technical Representative (BTR). The term “Buyer’s Technical Representative (BTR)” means the individual responsible for providing technical direction to the SUBCONTRACTOR. The BTR does not possess any explicit, apparent, or implied authority to modify Subcontract terms and conditions.

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BUYER. The term “BUYER” means Washington River Protection Solutions, LLC (WRPS).

Government. The term “Government” shall mean the United States of America and includes the U.S. Department of Energy (DOE) Office of River Protection (ORP), or any duly authorized representative thereof, including the BUYER’s Administrative Contracting Officer (ACO).

Head of the Procurement Activity. The term “Head of the Procurement Activity” means the individual who has the overall responsibility for the operations of the WRPS Procurement Office.

Lower-Tier Subcontractors. The term “lower-tier Subcontractors” refers to companies or individuals with whom the SUBCONTRACTOR has purchase orders, subcontracts, and rental agreements for materials or equipment, and other services not performed directly by the SUBCONTRACTOR under this Subcontract.

SUBCONTRACTOR. The term SUBCONTRACTOR refers to the company, person, or organization, including all lower-tier Subcontractors, performing Work under this Subcontract.

Subcontract. The term Subcontract shall mean this Subcontract or Purchase Order between the BUYER and the SUBCONTRACTOR including its terms, conditions, clauses, provisions, written direction and instructions, releases, and documents.

Work. The term “Work” includes all material, labor, tools, and all appliances, machinery, and transportation, necessary to perform and complete the Subcontract’s requirements, and such additional items not specifically indicated or described that can be reasonably inferred as required to complete the Subcontract.

ARTICLE 1.0 CONTRACT TYPE

Cost Reimbursement Contract Type: The contract type is identified and provided on the face of this Subcontract. The provisions that pertain to the contract type identified will be the basis for performance administration. The BUYER will make payments to the SUBCONTRACTOR in amounts determined to be allowable by the BUYER in accordance with Federal Acquisition Regulation (FAR) Subpart 31.2 in effect on the date of this Subcontract and the terms of this Subcontract.

1.1 Cost Plus Fixed Fee

- A. **Fixed Fee Value.** The BUYER’s authorized procurement representative shall pay the SUBCONTRACTOR for performing this Subcontract the fixed fee specified in the Compensation Schedule in accordance with Federal Acquisition Regulation (FAR) 52.216-8 (March 1997).
- B. **Fixed Fee Payment.** Payment of the fixed fee shall be made as specified in the Compensation Schedule; provided, that after payment of 85 percent of the fixed fee, the BUYER’s authorized procurement representative may withhold further payment of fee until a reserve is set aside in an amount that the BUYER’s authorized procurement representative considers necessary to protect the BUYER's interest. This reserve shall not exceed 15 percent of the total fixed fee, or \$100,000, whichever is less. The BUYER’s authorized procurement representative shall release seventy-five (75) percent of all fee withholds under this Subcontract after receipt of the certified final indirect cost rate proposal covering the year of physical completion of this Subcontract, provided the SUBCONTRACTOR has satisfied all other Subcontract terms and conditions,

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including the submission of the final patent and royalty reports, and is not delinquent in submitting final invoices on prior years' settlements. The BUYER's authorized procurement representative may release up to 90 percent of the fee withholds under this Subcontract based on the SUBCONTRACTOR's past performance related to the submission and settlement of final indirect cost rate proposals.

1.2 Cost Plus Incentive Fee

- A. Incentive Fee Value. The BUYER's authorized procurement representative shall pay the SUBCONTRACTOR for performing this Subcontract a fee determined as provided in this Subcontract.
- B. Target Cost and Target Fee. The target cost and target fee specified in the Compensation Schedule are subject to adjustment if the Subcontract is modified based on equitable adjustment.
- Target Cost, as used in this Subcontract, means the estimated cost of this Subcontract as initially negotiated, adjusted in accordance with paragraph (D) below.
 - Target Fee, as used in this Subcontract, means the fee initially negotiated on the assumption that this Subcontract would be performed for a cost equal to the estimated cost initially negotiated, adjusted in accordance with paragraph (D) of this clause.
- C. Withholding of Fee Payment. Normally, the BUYER's authorized procurement representative shall pay the fee to the SUBCONTRACTOR as specified in the Subcontract. However, when the BUYER's authorized procurement representative considers that performance or cost indicates that the SUBCONTRACTOR will not achieve target cost and/or schedule, the BUYER's authorized procurement representative shall pay on the basis of an appropriate lesser fee.

When the SUBCONTRACTOR demonstrates that performance or cost clearly indicates that the SUBCONTRACTOR will earn a fee significantly above the target fee, the BUYER's authorized procurement representative may, at the sole discretion of the BUYER, pay on the basis of an appropriate higher fee. After payment of eighty-five (85) percent of the applicable fee, the BUYER's authorized procurement representative may withhold further payment of fee until a reserve is set aside in an amount that the BUYER's authorized procurement representative considers necessary to protect the BUYER's interest. This reserve shall not exceed fifteen (15) percent of the applicable fee, or \$100,000, whichever is less. The BUYER's authorized procurement representative shall release seventy-five (75) percent of all fee withholds under this Subcontract after receipt of the certified final indirect cost rate proposal covering the year of physical completion of this Subcontract, provided the SUBCONTRACTOR has satisfied all other Subcontract terms and conditions, including the submission of the final patent and royalty reports, and is not delinquent in submitting final invoices on prior years' settlements. The BUYER's authorized procurement representative may release up to ninety (90) percent of the fee withholds under this Subcontract based on the SUBCONTRACTOR's past performance related to the submission and settlement of final indirect cost rate proposals.

- D. Equitable Adjustments. When the scope of work under this Subcontract is increased or decreased by an amendment to this Subcontract or when any equitable adjustment in the target cost is authorized under any other clause, equitable adjustments in the target cost, target fee, minimum fee, and maximum fee, as appropriate, shall be stated in an amendment to this Subcontract.

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- E. Fee Payable. The fee payable under this Subcontract shall be in accordance with the Compensation Schedule.
- The fee shall be subject to adjustment, to the extent provided in paragraph (D) above, and within the minimum and maximum fee limitations in subparagraph (1) of this clause, when the total allowable cost is increased or decreased as a consequence of (i) payments made under assignments or (ii) claims excepted from the release as required.
 - If this Subcontract is terminated in its entirety, the portion of the target fee payable shall not be subject to an increase or decrease as provided in this paragraph. The termination shall be accomplished in accordance with other applicable clauses of this Subcontract.
 - For the purpose of fee adjustment, “total allowable cost” shall not include allowable costs arising out of:
 - a. Any of the causes covered by excusable delays to the extent that they are beyond the control and without the fault or negligence of the SUBCONTRACTOR or any lower-tier Subcontractor;
 - b. The taking effect, after negotiating the target cost, of a statute, court decision, written ruling, or regulation that results in the SUBCONTRACTOR being required to pay or bear the burden of any tax or duty or rate increase in a tax or duty;
 - c. Any direct cost attributed to the SUBCONTRACTOR’s involvement in litigation as required by the BUYER pursuant to a clause of this Subcontract, including furnishing evidence and information requested pursuant to the Notice and Assistance Regarding Patent and Copyright Infringement provision;
 - d. The purchase and maintenance of additional insurance not in the target cost and required by the BUYER, or claims for reimbursement for liabilities to third persons pursuant to the Insurance Liability to Third Persons clause;
 - e. Any claim, loss, or damage resulting from a risk for which the SUBCONTRACTOR has been relieved of liability by the Government Property clause; or
 - f. Any claim, loss, or damage resulting from a risk defined in the Subcontract as unusually hazardous or as a nuclear risk and against which the Government has expressly agreed to indemnify the SUBCONTRACTOR.
 - g. All other allowable costs are included in “total allowable cost” for fee adjustment.
- F. Subcontract Amendment. The total allowable cost and the adjusted fee determined as provided in this provision shall be evidenced by an amendment to this Subcontract signed by the SUBCONTRACTOR and the BUYER.

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G. Inconsistencies. In the event of any language inconsistencies between this clause and provisioning documents or the BUYER options under this Subcontract, compensation for spare parts or other supplies and services ordered under such documents shall be determined in accordance with this provision.

1.3 Cost Reimbursement – No Fee

Fee Payable. The BUYER shall not pay the SUBCONTRACTOR a fee for performing this Subcontract.

ARTICLE 2.0 ORDER OF PRECEDENCE

In the event of a discrepancy among any of the Subcontract terms, conditions, clauses, provisions, including the Authorized Procurement Representative’s written direction and instructions, and other documents (collectively, the ‘Subcontract’), the following order of precedence shall govern resolution:

- (i) Amendments (e.g. Modifications);
- (ii) Contract Agreement (i.e. Subcontract, Purchase Orders, and Release or Task Orders);
- (iii) Special Provisions;
- (iv) On-Site Work Provisions;
- (v) Construction Provisions;
- (vi) Supplemental Provisions;
- (vii) General Provisions;
- (viii) Statement of Work (‘SOW’);
- (ix) Technical Specifications; and
- (x) Drawings.

Nothing recited above shall be construed as superseding or deleting any applicable statute, rule, ordinance, or regulation (collectively, the ‘Laws’). In the event of a conflict with Laws, the specific conflicting term of the Subcontract shall be considered null and without effect, Laws shall govern. All remaining terms unaffected by said Laws should continue in force.

All correspondence, questions, and items concerning interpretation or clarification of subcontracts shall be submitted in writing to the Authorized Procurement Representative.

Subject to the provisions of the “Changes” clause contained herein, all determinations, instructions, and clarifications provided by the Authorized Procurement Representative shall be final and conclusive unless the SUBCONTRACTOR believes such determinations, instructions or clarifications result in a conflict within the Subcontract and/or attachments, in which case the SUBCONTRACTOR shall identify such perceived conflict to the Authorized Procurement Representative prior to proceeding under the terms of the Disputes clauses.

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ARTICLE 3.0 TERMS OF PAYMENT

3.1 General Invoice Requirements

- A. Invoice Submission Requirements. Original invoices and supporting documentation shall be submitted no more than once a calendar month to the BUYER's Accounts Payable organization at the address below.

WASHINGTON RIVER PROTECTION SOLUTIONS (WRPS)
ATTN: Accounts Payable / MSIN H1-40
P.O. Box 850
Richland, WA 99352
Email electronic invoices to: WRPSAPINVOICES@rl.gov.

- B. Invoice Payment Terms. The SUBCONTRACTOR shall prepare all invoices in a form satisfactory to and approved by the BUYER's authorized procurement representative. Except to the extent expressly stated elsewhere in this Subcontract, the invoice is payable thirty (30) calendar days after receipt by the BUYER of a properly marked and submitted invoice. Discounts are expected for earlier payments and shall be specifically incorporated in the Subcontract. All unit pricing and payments made shall be in United States dollars only, in the forms of cash, check, or electronic transfer as may be agreed upon. Remittance will be made only to the remittance address on file for the SUBCONTRACTOR. Invoices from third parties or with different remittance instructions or addresses will not be processed. Invoices may be submitted electronically, if in an acceptable format. All invoice requirements still apply to electronic invoices.
- C. Invoice Certification. Submittal of an invoice constitutes the SUBCONTRACTOR's certification that materials, work and/or services have been delivered as specified on the invoice in accordance with the Subcontract. This invoice certification additionally represents that all invoiced hours and materials are true, accurate and correctly represent the invoiced costs to accomplish this Work on the Subcontract. Falsely invoicing costs may result in civil or criminal penalties as a violation of the Federal False Claims Act (31 USC 37296)
- D. Separate Invoice Requirements. Each Subcontract or Subcontract Release shall be invoiced separately.
- E. Minimum Invoice Requirements. The invoice shall identify the following information:
- The SUBCONTRACTOR's name, invoice number, and Subcontract number, and Release number.
 - The SUBCONTRACTOR's name and telephone number of a representative available to respond to invoice questions.
 - The total amount due for the billing period (this amount shall be separate from cumulative amounts or subtotals included on the invoice).

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- A cost summary identifying all cost elements being invoiced with all indirect rates and cost allocations clearly identified.
- Each invoice must include a separate line item for sales tax unless an exemption from sales tax is specifically cited in the body of the Subcontract. Invoices that do not include a separate line item for sales tax will not be paid and will be returned to the Subcontractor.
- A synopsis of services performed during the billing period.
- A corresponding description of each item billed and the associated amount.
- Invoices that include a total freight charge that is equal to or greater than one hundred dollars (\$100) must include a copy of the freight bill. If requested, the SUBCONTRACTOR must provide the weight, quantity, and shipping point. Subcontractor shall be reimbursed for reasonable freight charges as determined by the BUYER.
- If overtime is being invoiced, the BUYER's authorization is required to be included with the invoice submittal.
- Identification of Uncompensated Overtime. Uncompensated overtime means the hours worked without additional compensation in excess of an average of forty (40) hours per week by direct charging employees who are exempt from the Fair Labor Standards Act. Compensated personal absences such as holidays, vacation, and sick leave shall be included in the normal workweek for purposes of computing uncompensated overtime hours.

The SUBCONTRACTOR's reporting of uncompensated overtime must be consistent with its established accounting practices and policies used to accumulate and report uncompensated overtime hours.

- F. Provisional Indirect Billing Rates. Until final annual indirect cost rates are established for any period, the BUYER shall reimburse the SUBCONTRACTOR at provisional billing rates established by the BUYER's authorized procurement representative, or Administrative Contracting Officer, or by an authorized representative (the cognizant auditor), subject to adjustment when the final indirect rates are established. These provisional indirect billing rates:
- Shall be the anticipated final rates; and
 - May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.
- G. Reimbursement of Costs. Reimbursable costs will be determined allowable by the BUYER's authorized procurement representative in accordance with Federal Acquisition Regulation (FAR) Subpart 31.2 in effect on the date of this Subcontract and the terms of this Subcontract.

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For the purpose of reimbursing costs (except as provided in subparagraph (2) below, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term “costs” includes only:

- Those recorded costs that, at the time of the request for reimbursement, the SUBCONTRACTOR has paid by cash, check, or other form of actual payment for items or services purchased directly for the Subcontract;
- When the SUBCONTRACTOR is not delinquent in paying costs of Subcontract performance in the ordinary course of business, costs incurred, but not necessarily paid, for:
 - a. Materials issued from the SUBCONTRACTOR’s inventory and placed in the production process for use on the Subcontract;
 - b. Direct labor;
 - c. Direct travel;
 - d. Other direct in-house costs; and
 - e. Properly allocable and allowable indirect costs, as shown in the records maintained by the SUBCONTRACTOR for purposes of obtaining reimbursement under Government contracts; and
 - f. The amount of progress payments that have been paid to the SUBCONTRACTOR’s lower-tier Subcontractors under similar cost standards.
- The SUBCONTRACTOR’s contributions to any pension or other postretirement benefit, profit-sharing or employee stock ownership plan funds that are paid quarterly or more often may be included in indirect costs for payment purposes; Provided, that the SUBCONTRACTOR pays the contribution to the fund within thirty (30) days after the close of the period covered. Payments made thirty (30) days or more after the close of a period shall not be included until the SUBCONTRACTOR actually makes the payment. Accrued costs for such contributions that are paid less often than quarterly shall be excluded from indirect costs for payment purposes until the SUBCONTRACTOR actually makes the payment.
- Notwithstanding, the audit and adjustment of invoices or vouchers for allowable indirect costs under this Subcontract shall be obtained by applying indirect cost rates established in accordance with the section titled Provisional Indirect Billing Rates.
- Any statements in specifications or other documents incorporated in this Subcontract by reference designating performance of services or furnishing of materials at the SUBCONTRACTOR’s expense or at no cost to the BUYER or the Government shall be disregarded for purposes of cost-reimbursement under this provision.

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- H. Rejection of Invoices. Any invoice submitted, which fails to comply with the terms of this Subcontract, including the requirements of form and documentation, may be returned to the SUBCONTRACTOR. Any costs associated with the resubmission of an invoice to meet these requirements shall not be reimbursed by the BUYER.
- I. Withholding Invoice Payments. The BUYER may, at its sole discretion, withhold payment due for, but not limited to, the following reasons:
- Substandard Work or delays in the Work not corrected promptly.
 - Evidence that a claim has been or will be filed against the SUBCONTRACTOR.
 - Evidence that lower tier Subcontractor's or suppliers have not been properly paid.
 - Failure to provide accrual reports by the 16th of each month as specified in the Subcontract provisions.

3.2 Small Business Concerns

Upon receiving written approval from the BUYER's authorized procurement representative, a small business concern may be paid more frequently than the cited payment terms and may invoice and be paid for recorded costs for items or services purchased directly for the Subcontract, even though the concern has not yet paid for those items or services.

3.3 Final Indirect Cost Rates

Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of the Federal Acquisition Regulations (FAR) in effect for the period covered by the indirect cost rate proposal.

The SUBCONTRACTOR shall, within 180 days after the expiration of each of its fiscal years, or by a later date approved by the BUYER, submit to the authorized procurement representative responsible for negotiating its final indirect cost rates and, if required by agency procedures, to the cognizant audit activity proposed final indirect cost rates for that period and supporting cost data specifying the Subcontract and/or Subcontract to which the rates apply. The proposed rates shall be based on the SUBCONTRACTOR's actual cost experience for that period. The appropriate authorized procurement representative or Government representative and the SUBCONTRACTOR shall establish the final indirect cost rates as promptly as practicable after receipt of the SUBCONTRACTOR's proposal.

The SUBCONTRACTOR and the appropriate authorized procurement representative or Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected Subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, Subcontract obligation, or specific cost allowance or disallowance provided for in this Subcontract. The understanding is incorporated into this Subcontract upon execution.

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Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes provision.

3.4 Quick-Closeout Procedures

Quick-closeout procedures are applicable when the conditions in Federal Acquisition Regulation (FAR) 42.708(a) are satisfied.

3.5 Audit

WRPS may exercise its audit rights under DEAR 970.5232-3 where costs incurred are a factor in determining the amount payable to the subcontractor. Subcontractor shall maintain records for three (3) years after final payment of this Subcontract, or longer as required elsewhere in the Subcontract or by statute.

Any payment may be (1) reduced by amounts found by the BUYER not to constitute allowable costs per Federal Acquisition Regulation (FAR) Subpart 31.2 or (2) adjusted for prior overpayments or underpayments.

3.6 Final Payment

The SUBCONTRACTOR shall submit a certified completion invoice or voucher, designated as such, promptly upon completion of the Work, but no later than one year (or longer, as the authorized procurement representative may approve in writing) from the completion date. The invoice or voucher shall be clearly marked "FINAL INVOICE." Upon approval of the final invoice or voucher, and upon the SUBCONTRACTOR's compliance with all terms of this Subcontract, the BUYER shall pay within thirty (30) days any balance of allowable costs and that part of the fee (if any) not previously paid.

The SUBCONTRACTOR shall pay to the BUYER any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the SUBCONTRACTOR or any assignee under this Subcontract, to the extent that those amounts are properly allocable to costs for which the BUYER has reimbursed the SUBCONTRACTOR. Reasonable expenses incurred by the SUBCONTRACTOR for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the authorized procurement representative. Before final payment under this Subcontract, the SUBCONTRACTOR and each assignee whose assignment is in effect at the time of final payment shall execute and deliver:

- A. An assignment to the BUYER, in form and substance satisfactory to the BUYER, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the SUBCONTRACTOR has been reimbursed by the BUYER under this Subcontract; and
- B. A release discharging the BUYER and the Government, their officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this Subcontract, except:
 - Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;
 - Claims (including reasonable incidental expenses) based upon liabilities of the SUBCONTRACTOR to third parties arising out of the performance of this Subcontract; provided, that the claims are not known to the SUBCONTRACTOR on the date of the

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execution of the release, and that the SUBCONTRACTOR gives notice of the claims in writing to the BUYER within 6 years following the release date or notice of final payment date, whichever is earlier; and

- Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the SUBCONTRACTOR under the patent clauses of this Subcontract, excluding, however, any expenses arising from the SUBCONTRACTOR's indemnification of the Government against patent liability.
- C. Any invoice submitted, which fails to comply with the terms of this Subcontract, including the requirements of form and documentation, may be returned to the SUBCONTRACTOR. Any costs associated with the resubmission of an invoice to meet these requirements shall not be reimbursed by the BUYER. Final payment shall not relieve the SUBCONTRACTOR of any obligation under this Subcontract.
- D. The BUYER may, at its sole discretion, withhold payment due for, but not limited to, the following reasons:
- Substandard work or delays in the Work not corrected promptly.
 - Evidence that a claim has been or will be filed against the SUBCONTRACTOR.
 - Evidence that lower-tier Subcontractors have not been properly paid.

3.7 Cash Discounts

Cash discounts will apply from the date a correct, properly supported invoice is received by the BUYER.

3.8 Limitation of Cost

- A. The parties estimate that performance of this Subcontract, exclusive of any fee, will not cost the BUYER more than (i) the estimated cost specified in the Subcontract or, (ii) if this is a cost-sharing Subcontract, the BUYER's share of the estimated cost specified in the Subcontract. The SUBCONTRACTOR agrees to use its best efforts to perform the Work specified in the Subcontract and all obligations under this Subcontract within the estimated cost, which, if this is a cost-sharing Subcontract, includes both the BUYER's and the SUBCONTRACTOR's share of the cost.
- B. The SUBCONTRACTOR shall notify the BUYER's authorized procurement representative in writing whenever it has reason to believe the authorized cost limitation will be exceeded. This SUBCONTRACTOR notification shall be completed when (1) the estimated costs the SUBCONTRACTOR expects to incur under this Subcontract in the next sixty (60) days, when added to all costs previously incurred, will exceed seventy-five (75) percent of the estimated cost specified in the Subcontract; or (2) the total cost for the performance of this Subcontract, exclusive of any fee, will be either greater or substantially less than had been previously estimated. As part of the notification, the SUBCONTRACTOR shall provide the BUYER's authorized procurement representative a revised estimate of the total cost of performing this Subcontract.

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- C. Except as required by other provisions of this Subcontract, specifically citing and stated to be an exception to this provision: the BUYER is not obligated to reimburse the SUBCONTRACTOR for costs incurred in excess of (i) the estimated cost specified in the Subcontract or, (ii) if this is a cost-sharing Subcontract, the estimated cost to the BUYER specified in the Subcontract.
- D. The SUBCONTRACTOR is not obligated to continue performance under this Subcontract (including actions under the Termination provision of this Subcontract) or otherwise incur costs in excess of the estimated cost specified in the Subcontract, until the Buyer's authorized procurement representative (i) notifies the SUBCONTRACTOR in writing that the estimated cost has been increased and (ii) provides a revised estimated total cost of performing this Subcontract. If this is a cost-sharing Subcontract, the increase shall be allocated in accordance with the formula specified in the Subcontract.
- E. No notice, communication, or representation in any form other than that specified above, or from any person other than the Buyer's authorized procurement representative, shall affect this Subcontract's estimated cost to the BUYER. In the absence of the specified notice, the BUYER is not obligated to reimburse the SUBCONTRACTOR for any costs in excess of the estimated cost or, if this is a cost-sharing Subcontract, for any costs in excess of the estimated cost to the BUYER specified in the Subcontract, whether those excess costs were incurred during the course of the Subcontract or as a result of termination.
- F. If the estimated cost specified in the Subcontract is increased, any costs the SUBCONTRACTOR incurs before the increase that are in excess of the previously estimated cost shall be allowable to the same extent as if incurred afterward, unless the BUYER issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.
- G. Change orders (Subcontract amendments) shall not be considered an authorization to exceed the estimated cost to the BUYER specified in the Subcontract, unless the change order (amendment) contains a statement increasing the Subcontract's estimated cost.
- H. If this Subcontract is terminated or the estimated cost is not increased, the Buyer's authorized procurement representative and the SUBCONTRACTOR shall negotiate an equitable distribution of all property produced or purchased under the Subcontract, based upon the share of costs incurred by each party.

3.9 Reimbursement of Travel Expenses

Only when authorized by the Buyer's authorized procurement representative prior to arranging, conducting, and/or incurring travel expenses by the Subcontractor or the Subcontractor's employees, the Subcontractor will be reimbursed for travel expenses incurred in performance of this subcontract. Expenses reimbursed are limited to costs incurred for transportation, lodging, meals, and incidentals expenses (M&IE) considered reasonable, allowable, and allocable (per the Federal Acquisition Regulation (FAR)) and do not exceed the maximum per diem rates in effect at the time of travel within the forty-eight (48) states as set forth in the Federal Travel Regulations (FTR). Subcontractor will take reasonable steps to minimize the amount of travel expenses.

- Allowable under the FAR, and the provisions of this Subcontract

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- Reasonable
- Allocable and necessary to the performance of this Subcontract
- Travel time for a subcontracted professional employee is NOT billable unless specified in the Subcontract.
- Travel time for a subcontracted employee who is covered under the Fair Labor Standards Act IS billable per the Department of Labor.

Travel expense reimbursement requests must be invoiced in accordance with the subcontract invoicing requirements. Receipts must show the full original itinerary, including the name of the person(s) traveling, travel dates, travel times, and destination. Airfare costs must be separated from any lodging, car rental and/or any other travel charges, and must list the airfare class, agency fees, and that the lowest reasonably available airfare was booked. Subcontractor must provide itemized receipts for all airfare, agency fees, lodging, and car rental company charges regardless of dollar amount AND any other travel expenditures of \$75.00 or more.

The Subcontractor is expected to take reasonable steps to mitigate the amount of travel expense. When work assignments are such that travel for any one employee would exceed a short term (typically more than 30 days), the Subcontractor is expected to propose and implement lower cost alternatives (such as long term lodging, temporary relocation, long term car rental, etc.).

Submittal of an invoice to the Buyer that includes travel expenses signifies Subcontractor's certification to all travel requirements outlined in this Subcontract. Failure to comply with the requirements may cause any request for travel reimbursement to be reduced or denied.

3.10 Accruals

This provision applies to all Subcontracts unless the Subcontract is for one-time work which will be billed during the month the work was performed. The SUBCONTRACTOR shall provide monthly to BUYER's Accounts Payable an estimate of the total billable cost from inception of the Subcontract through the current fiscal month end. The Fiscal Month Calendar can be accessed on the Hanford external web site. This information must be provided electronically between the 12th and the 16th of each month using the login information contained in the SUBCONTRACTOR's confirmation email when the SUBCONTRACTOR completed its initial vendor registration with the Buyer.

Accruals are submitted through the [Vendor Registration System](#) at Vendor Registration. Click on the accruals tab at the top of the screen and enter the current cost to date amount for the subcontract or release in the appropriate space. If you experience any technical difficulties, please contact us at wrps_procurement@rl.gov. Alternative methods are email or mail and must be submitted by the 16th of each month to the following address.

WASHINGTON RIVER PROTECTION SOLUTIONS (WRPS)
ATTN: Accounts Payable / MSIN H1-40
P.O. Box 850
Richland, WA 99352
Email: awrps@rl.gov

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Monthly SUBCONTRACTOR cost to date forms can be obtained at the following link -- [Subcontractor Cost to Date Form](#).

Accrual data must be provided for each Subcontract or Subcontract release until all SUBCONTRACTOR invoices are received and Work is complete.

3.11 Taxes

The SUBCONTRACTOR shall collect the applicable Washington State sales or use tax and include this on each applicable invoice. Sales tax must be listed as a separate line item on the invoice as stated in 3.1C, above. If the SUBCONTRACTOR is an out of state vendor with no nexus in the State of Washington, taxes will be paid by BUYER. SUBCONTRACTOR shall notify the Authorized Procurement Representative if they don't have a nexus in the State of Washington. All other Federal, State, county, municipal or other taxes must be included in the Subcontract amount and invoiced accordingly.

If as a result of this Subcontract, the SUBCONTRACTOR becomes eligible for Washington State Business and Occupation Tax Credit for Research and Development spending, the SUBCONTRACTOR shall take such tax credit and assign such tax credit to the BUYER. If the SUBCONTRACTOR applies for the Washington State Business and Occupation Tax Credit for Research and Development spending, the SUBCONTRACTOR shall notify the Authorized Procurement Representative. The SUBCONTRACTOR shall fully cooperate with the BUYER in any tax audits, tax assessment reviews, or tax challenges.

3.12 Right to Offset

The BUYER, without waiver or limitation of any rights or remedies of the BUYER, shall be entitled from time to time to deduct from any amounts due or owing by the BUYER to the SUBCONTRACTOR in connection with this Subcontract (or any other Subcontract with the BUYER), any and all amounts owed by the SUBCONTRACTOR to the BUYER or the Government in connection with this Subcontract.

3.13 Interest Payment

No interest is payable to the SUBCONTRACTOR for any claim it may have, except that specifically imposed by a court of competent jurisdiction on any judgment, and then only from the date of the entry of judgment.

**ARTICLE 4.0 CHANGES – COST REIMBURSEMENT (FAR 52.243-2) (AUG 1987)
(MODIFIED)**

(Takes precedence over all other Changes Clauses for Cost-Reimbursement Type Subcontracts)

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:

- (1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Buyer in accordance with the drawings, designs, or specifications.

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(2) Method of shipment or packing.

(3) Place of delivery.

(b) If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this subcontract, whether or not changed by the order, or otherwise affects any other terms and conditions of this subcontract, the Buyer shall make an equitable adjustment in the --

(1) Estimated cost, delivery or completion schedule, or both;

(2) Amount of any fixed fee; and

(3) Other affected terms and shall modify the subcontract accordingly.

(c) The Subcontractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Buyer decides that the facts justify it, the Buyer may receive and act upon a proposal submitted before final payment of the subcontract.

(d) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Subcontractor from proceeding with the subcontract as changed.

(e) Notwithstanding the terms and conditions of paragraphs (a) and (b) above, the estimated cost of this subcontract and, if this subcontract is incrementally funded, the funds allotted for the performance of this subcontract, shall not be increased or considered to be increased except by specific written modification of the subcontract indicating the new subcontract estimated cost and, if this subcontract is incrementally funded, the new amount allotted to the subcontract. Until this modification is made, the Subcontractor shall not be obligated to continue performance or incur costs beyond the point established in the Limitation of Cost or Limitation of Funds clause of this subcontract.

(End of Clause)

Alternate I (Apr 1984). If the requirement is for services and no supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:

(1) Description of services to be performed.

(2) Time of performance (i.e., hours of the day, days of the week, etc.).

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(3) Place of performance of the services.

Alternate II (Apr 1984). If the requirement is for services and supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:

(1) Description of services to be performed.

(2) Time of performance (i.e., hours of the day, days of the week, etc.).

(3) Place of performance of the services.

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Buyer in accordance with the drawings, designs, or specifications.

(5) Method of shipment or packing of supplies.

(6) Place of delivery.

Alternate III (Apr 1984). If the requirement is for construction, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in the plans and specifications or instructions incorporated in the subcontract.

Alternate IV [Reserved]

Alternate V (Apr 1984). If the requirement is for research and development, and it is desired to include the clause, substitute the following subparagraphs (a)(1) and (a)(3) for subparagraphs (a)(1) and (a)(3) of the basic clause:

(a)

(1) Drawings, designs, or specifications.

(3) Place of inspection, delivery, or acceptance.

ARTICLE 5.0 SUPPLEMENTAL TERMS AND CONDITIONS

General Intent. This Agreement is subject to the terms and conditions of the BUYER's Prime Contract Number DE-AC27-08RV14800. The general intent of these provisions is to incorporate into the

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Subcontract all required Federal Acquisition Regulation (FAR) and Department of Energy Acquisition Regulations (DEAR) flow down clauses, and any other State or Federally-mandated Subcontract clauses, which are required to be so incorporated either by the FAR, DEAR, the BUYER's Prime Contract or the applicable State or Federal law.

To reference the cited FAR and DEAR flow down clauses, the following web addresses are provided:

<http://farsite.hill.af.mil/>
<http://farsite.hill.af.mil/vfdoea.htm>
<https://www.acquisition.gov/>

Substitution of the Parties. Wherever required to make any FAR, DEAR, or Prime Contract clause incorporated herein meaningful, the term "Contractor" shall be read "Subcontractor," ADMINISTRATIVE CONTRACTING OFFICER or (ACO) means AUTHORIZED PROCUREMENT REPRESENTATIVE, HEAD OF THE CONTRACTING ACTIVITY means HEAD OF THE PROCUREMENT ACTIVITY and the term "GOVERNMENT" or "CONTRACTING OFFICER" shall be read "BUYER" with the exception of DEAR 952.250-70 Nuclear Hazards Indemnity Agreement (June 1996).

Specific Incorporated Clauses. Without in any way limiting the FAR, DEAR, or Prime Contract clauses to be incorporated herein, the following FAR and DEAR clauses are hereby specifically incorporated herein by reference with the same force and effect as if they were given in full text.

5.1 Federal Acquisition Regulation (48 CFR Chapter 1) Clauses and Department of Energy Acquisition Regulation (48 CFR Chapter 9) Clauses

Applicable to all orders:

1. FAR 52.242-1, Notice of Intent to Disallow Costs (Apr 1984).
2. FAR 52.246-3, Inspection of Supplies -- Cost Reimbursement (May 2001) - Federal requirement is for all cost reimbursement contracts for supplies (materials).
3. FAR 52.246-5, Inspection of Services -- Cost Reimbursement (April 1984) - Federal requirement is for all cost reimbursement contracts for services.