

**PART I – THE SCHEDULE****TABLE OF CONTENTS**

<b>SECTION B</b> .....	<b>1</b>
SUPPLIES OR SERVICES AND PRICES/COSTS .....	1
<i>CLIN 0001 MANAGEMENT AND OPERATION (M&amp;O) OF Y12/PX</i> .....	1
<i>CLIN 0001A CONTRACT TRANSITION: COST REIMBURSEMENT, NO FEE</i> .....	1
<i>CLIN 0001B BASE TERM (YEARS 1-5)</i> .....	1
<i>CLIN 0001C OPTION I TERM (YEARS 6-7)</i> .....	2
<i>CLIN 0001D OPTION II TERM (YEARS 8-9)</i> .....	2
<i>CLIN 0001E OPTION III TERM (YEAR 10)</i> .....	3
<i>CLIN 0001F TRANSITION OF SAVANNAH RIVER TRITIUM OPERATIONS (SRTO)</i> <i>OPTION INTO THE CONTRACT</i> .....	3
<i>CLIN 0001G OPTION IV: SAVANNAH RIVER TRITIUM OPERATIONS (SRTO)</i> .....	3
<i>CLIN 0001H WORK FOR OTHERS/OTHER REIMBURSABLE WORK</i> .....	4
<i>CLIN 0002 URANIUM PROCESSING FACILITY (UPF) PROJECT MANAGEMENT</i> .....	4
<i>B-1 CONTRACT TYPE</i> .....	5
<i>B-2 CONTRACT FEE STRUCTURES</i> .....	5
<i>B-3 SINGLE FEE</i> .....	8
<i>B-4 KEY PERSONNEL REPLACEMENT</i> .....	8
<i>B-5 OBLIGATION OF FUNDS</i> .....	9
<i>B-6 AVAILABILITY OF APPROPRIATED FUNDS</i> .....	9
<i>B-7 PERFORMANCE EVALUATION PLAN (PEP)</i> .....	9
<b>SECTION C</b> .....	<b>11</b>
DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK .....	11
<i>C-1 STATEMENT OF WORK</i> .....	11
<b>SECTION D</b> .....	<b>12</b>
PACKAGING AND MARKING (RESERVED).....	12
<b>SECTION E</b> .....	<b>13</b>
INSPECTION AND ACCEPTANCE.....	13
<i>E-1 FAR 52.246-5 INSPECTION OF SERVICES – COST-REIMBURSEMENT</i> <i>(APR 1984)</i> .....	13
<i>E-2 ACCEPTANCE</i> .....	13
<b>SECTION F</b> .....	<b>14</b>
DELIVERIES OR PERFORMANCE.....	14
<i>F-1 FAR 52.242-15 STOP-WORK ORDER (AUG 1989) ALTERNATE I (APR 1984)</i> ...	14
<i>F-2 PERIOD OF PERFORMANCE</i> .....	15
<i>F-3 PRINCIPAL PLACE OF PERFORMANCE</i> .....	15
<i>F-4 STOP WORK IN EVENT OF IMMINENT DANGER</i> .....	15

<i>F-5</i>	<i>EVALUATION OF PERFORMANCE AND EXERCISE OF OPTION(S) (THIS CLAUSE APPLIES TO CLIN 0001 ONLY)</i> .....	16
<i>F-6</i>	<i>DELIVERABLES</i> .....	17
<i>F-7</i>	<i>DELIVERABLES DURING TRANSITION</i> .....	17
<b>SECTION G</b>	.....	<b>21</b>
	<b>CONTRACT ADMINISTRATION DATA</b> .....	21
<i>G-1</i>	<i>CORRESPONDENCE PROCEDURES</i> .....	21
<i>G-2</i>	<i>MODIFICATION AUTHORITY</i> .....	22
<i>G-3</i>	<i>DOE/NNSA PATENT COUNSEL</i> .....	22
<i>G-4</i>	<i>DOE/NNSA ORGANIZATIONAL PROPERTY MANAGEMENT OFFICER</i> .....	23
<i>G-5</i>	<i>CONTRACTOR CONTACT</i> .....	23
<i>G-6</i>	<i>PERFORMANCE GUARANTEE(S)</i> .....	23
<i>G-7</i>	<i>RECOGNITION OF PERFORMING ENTITY</i> .....	24
<i>G-8</i>	<i>RESPONSIBLE CORPORATE OFFICIAL</i> .....	24
<b>SECTION H</b>	.....	<b>25</b>
	<b>SPECIAL CONTRACT REQUIREMENTS</b> .....	25
<i>H-1</i>	<i>CONFIDENTIALITY OF INFORMATION</i> .....	25
<i>H-2</i>	<i>NNSA PRIME CONTRACTS</i> .....	26
<i>H-3</i>	<i>INSTRUCTIONS FOR UPDATING FOREIGN OWNERSHIP, CONTROL OR INFLUENCE (FOCI) INFORMATION (APRIL 2010)</i> .....	27
<i>H-4</i>	<i>LIMITATION ON PROTECTIVE FORCE SUBCONTRACTING</i> .....	27
<i>H-5</i>	<i>NOTIFICATION OF CONFLICTS OF INTEREST REGARDING PERSONNEL</i> ...	27
<i>H-6</i>	<i>ANNUAL CONFLICT OF INTEREST CERTIFICATION</i> .....	28
<i>H-7</i>	<i>SMALL BUSINESS PARTICIPATION</i> .....	28
<i>H-8</i>	<i>COST SAVINGS</i> .....	29
<i>H-9</i>	<i>PROMPT PAYMENT TO SUBCONTRACTORS</i> .....	30
<i>H-10</i>	<i>ADDITION AND ALTERATIONS TO IMPLEMENT EXECUTIVE ORDER 13423, STRENGTHENING FEDERAL ENVIRONMENTAL, ENERGY, AND TRANSPORTATION MANAGEMENT AND ITS IMPLEMENTING INSTRUCTIONS</i> .....	31
<i>H-11</i>	<i>LOBBYING RESTRICTION (FULL-YEAR CONTINUING APPROPRIATIONS ACT, 2011)</i> .....	31
<i>H-12</i>	<i>EVALUATION OF PERFORMANCE FOR CLIN 0002</i> .....	31

**SECTION B****SUPPLIES OR SERVICES AND PRICES/COSTS****CLIN 0001 MANAGEMENT AND OPERATION (M&O) OF Y12/PX****CLIN 0001A CONTRACT TRANSITION: COST REIMBURSEMENT, NO FEE**

*Services being Acquired under this CLIN:* The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely transition from the incumbent contract to the new contract to operate the Y-12 National Security Complex (Y-12), the Pantex Plant (PX), (hereinafter referred to as “the Sites”).

The initial transition period of six months for the Y-12/PX Contract consolidation will be on a cost reimbursement basis and the estimated cost is \$ TBD\*. There will be no transition fee paid.

[\*The estimated cost will be established with the Contractor after the effective date of the Contract with the commencement of the Transition Term.]

**CLIN 0001B BASE TERM (YEARS 1-5)**

*Services being Acquired under this CLIN:* The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, material, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0002. The estimated cost and fee available is:

Year	Estimated Cost	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Available Cost Savings Incentive Fee (CSIF)	Maximum Available Fee (FF + PIF + CSIF)
1						
2						
3						
4		NA				
5		NA				

[Table to be completed by the Government at the effective date of the Contract utilizing the Maximum Available Fee proposed by the Contractor.]

**CLIN 0001C OPTION I TERM (YEARS 6-7)**

Services being Acquired under this CLIN: If this option is exercised, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0002. The estimated cost and fee available is:

Year	Estimated Cost	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Available Cost Savings Incentive Fee (CSIF)	Maximum Available Fee (FF + PIF + CSIF)
6		NA				
7		NA				

[Table to be completed by the Government at the effective date of the Contract utilizing the Maximum Available Fee proposed by the Contractor.]

**CLIN 0001D OPTION II TERM (YEARS 8-9)**

Services being Acquired under this CLIN: If this option is exercised, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0002. The estimated cost and fee available is:

Year	Estimated Cost	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Available Cost Savings Incentive Fee (CSIF)	Maximum Available Fee (FF + PIF + CSIF)
8		NA				
9		NA				

[Table to be completed by the Government at the effective date of the Contract utilizing the Maximum Available Fee proposed by the Contractor.]

**CLIN 0001E OPTION III TERM (YEAR 10)**

Services being Acquired under this CLIN: If this option is exercised, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0002. The estimated cost and fee available is:

Year	Estimated Cost	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Available Cost Savings Incentive Fee (CSIF)	Maximum Available Fee (FF + PIF + CSIF)
10						

[Table to be completed by the Government at the effective date of the Contract utilizing the Maximum Available Fee proposed by the Contractor.]

**CLIN 0001F TRANSITION OF SAVANNAH RIVER TRITIUM OPERATIONS (SRTO) OPTION INTO THE CONTRACT**

Services being Acquired under this CLIN: If this option is exercised, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely transition SRTO from the incumbent contract to this M&O contract.

The transition period for incorporation of the SRTO effort of six months will be on a cost reimbursement basis and the estimated cost is \$ TBD\*\*. There will be no transition fee paid.

[\*\*The estimated cost will be established [\* with the Contractor at the time of option exercise and prior to commencement of the Transition Term.]

**CLIN 0001G OPTION IV: SAVANNAH RIVER TRITIUM OPERATIONS (SRTO)**

Services being Acquired under this CLIN: If this option is exercised, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely manage and operate the SRTO. If this option is exercised, the contract will be modified to revise the services being acquired and to increase the cost and fee available amounts to add SRTO effort to CLIN 0001B, 0001C, 0001D, and 0001E.

**CLIN 0001H WORK FOR OTHERS/OTHER REIMBURSABLE WORK**

*Services being Acquired under this CLIN:* The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Other DOE/Work for Others, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely perform all Work For Others and Other Reimbursable Work efforts as directed by the Contracting Officer.

Year	Estimated Cost	Available Fixed Fee	Estimated Cost + Available Fixed Fee	Actual Fee Earned
1				
2				
3				
4				
5				
OPTION I	*****	*****	*****	*****
6				
7				
OPTION II	*****	*****	*****	*****
8				
9				
OPTION III	*****	*****	*****	*****
10				

**CLIN 0002 URANIUM PROCESSING FACILITY (UPF) PROJECT MANAGEMENT**

*Services being Acquired under this CLIN:* The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.1.3(iii)(G), and all other applicable terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts to effectively, efficiently, and safely complete the project management of the UPF. The cost and fee associated with this CLIN shall be accounted and reported separate and completely severable from all other parts of this contract.

Year	UPF Cost	UPF Maximum Available Fee	UPF Actual Fee Earned
1			
2			
3			
4			
5			
OPTION I	*****	*****	*****
6			
7			
OPTION II	*****	*****	*****
8			
9			
OPTION III	*****	*****	*****
10			

[To be completed by the Government at the effective date of the Contract utilizing the UPF Maximum Available Fee proposed by the Contractor.]

### **B-1 CONTRACT TYPE**

This is a Performance Based Contract for the Management and Operation of DOE/NNSA facilities governed by FAR 17.6, DEAR 917.6 and DEAR Part 970. It is a Management and Operating (M&O) cost-reimbursement Contract with terms for a Fixed Fee, Performance Incentive Fee, and Cost Savings Incentive Fee as described below.

### **B-2 CONTRACT FEE STRUCTURES**

#### (a) Fee Structure for CLIN 0001

##### (1) Definitions.

Total Available Fee = Fixed Fee + Performance Incentive Fee

Maximum Available Fee = Total Available Fee + Cost Savings Incentive Fee

- (2) The Total Available Fee for the Base Term of the Contract, and the option period(s), if exercised by NNSA is shown in the CLIN 0001B, 0001C, 0001D, and 0001E tables above. In addition to the Total Available Fee, the Contractor may earn Cost Savings Incentive Fee as a share of cost savings as described below. Notwithstanding the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes," the Total Available Fee is subject to adjustment only for a plus or minus 25% change in the estimated cost of \$(TBD) upon which the fee was based at the time of the effective date of the Contract. The parties agree that the estimated cost of the contract shall not be subject to adjustment based only on differences between the estimated cost and the actual funding as reflected in Section B, B-5, Obligation of Funds. Changes in the estimated cost as a result of cost savings will not impact Total Available Fee.

(i) Fixed Fee

The Contractor shall be paid a Fixed Fee except as identified in Section B, B-2(a)(2)(iv), Work for Others/Other Reimbursable Work Fixed Fee, during the first three years of the Base Term in the CLIN 0001 table as applicable. No Fixed Fee will be paid for the remaining years of the Contract.

(ii) Performance Incentive Fee

A Performance Incentive Fee will be paid to the Contractor for accomplishments under the Performance Evaluation Plan (PEP). The Available Performance Incentive Fee is reflected in the CLIN 0001B, 0001C, 0001D, and 0001E tables above.

(iii) Cost Savings Incentive Fee

The Contractor shall earn a 20% share of cost savings as outlined below. As discussed in Section H, H-8, Cost Savings, the share of cost savings paid to the Contractor will be based on the previous year's annual sustained and validated cost savings not to exceed the Available Cost Savings Incentive Fee reflected in the CLIN 0001B, 0001C, 0001D, and 0001E tables above.

(iv) Work for Others/Other Reimbursable Work Fixed Fee

The estimated cost and the available Fixed Fee for Work for Others and Other Reimbursable Work during the Base Term of the Contract and for each Option Term will be established by the NNSA prior to the commencement of the applicable fiscal year and will be incorporated into the CLIN 0001H table through a modification to this Contract. The Fixed-Fee for Work for Others and Other Reimbursable Work will be 2.5% of the estimated cost of each project. If the work sponsor or the Government subsequently orders material changes in the amount or character of the Reimbursable Work, an equitable adjustment of the fee, if any, shall be made in accordance with the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes." If the Contractor anticipates exceeding the amount of estimated cost for reimbursable work due to new reimbursable work projects, an adjustment to the estimated cost and Work for Others Fixed Fee for reimbursable work shall be submitted for approval by the Contracting Officer. Work for Others Fixed Fee is not a component of Maximum Available Fee. The estimated cost and available Fixed Fee related to the reimbursable work effort for the specified term is reflected in the CLIN 0001H table.

(3) Provisional Payment of Fee

- (i) The Fixed Fee for the Base Term of the Contract shall be paid monthly at the rate of one-twelfth (1/12) of the annual Fixed Fee per month. Such payment amounts are to be drawn down by the Contractor from the Contract's special financial institution account in monthly installments on the last day of each month.
- (ii) The Performance Incentive Fee is authorized for draw down by the Contractor from the Contract's special financial institution account as follows:
  - (A) In monthly provisional fee payments equivalent to 3% of the Available Performance Incentive Fee, or
  - (B) Upon completion of milestones or any other methodology as set forth in the Performance Evaluation Plan (PEP) and its supporting documentation; and
  - (C) The balance, if any, upon issuance of the Contracting Officer's notification in accordance with Section B, B-7, Performance Evaluation Plan.
  - (D) If the provisional payments made above exceed the Performance Incentive Fee earned or the Contractor fails to fully accomplish the objective/incentive for which it has received milestone completion or provisional payments, the Contracting Officer will determine if the Contractor is to refund all or part of the provisional fee it has received. Any refund made shall include interest. Interest will be paid at the interest rate established by the Secretary of the Treasury as provided in Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which any unearned payments were made.
  - (E) The Contractor shall remit any balance due payable to the Government in accordance with directions to be provided by the Contracting Officer.

(4) Unearned Fee

NNSA HQ will determine how unearned fee is reinvested in the Nuclear Security Enterprise. Unearned fee will not be available for future performance periods.

(5) Payment of Cost Savings Incentive Fee

The Contractor will be paid Cost Savings Incentive Fee based on the previous year(s) validated sustained cost savings. Payment will be made promptly, but not later than 90 days after the cost baseline data and adequate records to support validation are supplied to the Government to make a decision on the share of cost savings. There is no provisional payment of Cost Savings Incentive Fee.

- (6) Except for the conditions identified in this clause, there shall be no adjustment in the amount of the Contractor's fee by reason of differences between any estimate of cost for performance of the work under this Contract and the actual cost of performance of that work.

(b) Fee Structures for CLIN 0002

- (1) The fee structure for UPF will be separate and severable from the other fee in this contract and will be described in this section, based on the incentive structure proposed and awarded. The fee amounts will be incorporated into CLIN 0002 above. Notwithstanding the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes," the Total Available Fee is subject to adjustment only for a plus or minus 25% change in the estimated cost of \$(TBD) upon which the fee was based at the time of the effective date of the Contract. The parties agree that the estimated cost of the contract shall not be subject to adjustment based only on differences between the estimated cost and the actual funding as reflected in Section B, B-5, Obligation of Funds. Changes in the estimated cost as a result of cost savings will not impact Total Available Fee.
- (2) Provisional Payment of UPF Fee will be determined based on the incentive structure.

**B-3 SINGLE FEE**

- (a) For CLIN 0001. If the Contractor is part of a consortium, joint venture, and/or other Contractor Team Arrangement as defined in FAR 9.601, the team shall share in the Maximum Available Fee defined at Section B, B-2, Contract Fee Structures. Separate additional subcontractor fees for individual team members will not be considered an allowable cost under the Contract. If a subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, any fee or profit paid to such entity will not be considered an allowable cost under this Contract unless otherwise approved by the Contracting Officer.
- (b) For CLIN 0002. If the Contractor is part of a consortium, joint venture, and/or other Contractor Team Arrangement as defined in FAR 9.601, the team shall share in the Maximum Available Fee defined at Section B, B-2, Contract Fee Structures. Any subcontractor fees will not be considered an allowable cost for CLIN 0002

**B-4 KEY PERSONNEL REPLACEMENT**

Unless approved in advance, in writing by the Contracting Officer, should any Key Personnel be removed, replaced, or diverted by the Contractor for reasons under the Contractor's control (other than to maintain satisfactory standards of employee competency, conduct, and integrity under the Contract's Section I Clause entitled "DEAR 970.5203-3, Contractor's Organization") within the first two years of period of performance; or for a replacement Key Person within two

years of being placed in the position, the Contractor shall forfeit two years of the DOE/NNSA reimbursable annual salary and relocation costs in fee for that position for each occurrence. Additionally, upon approval by the Contracting Officer, the Contractor shall enter into an employment contract to ensure the employee's first two year commitment. At a minimum, the contractor shall require the Key Personnel to pay back any salary bonuses and any relocation costs received by the employee where Government funds were used during the first two years of employment.

#### **B-5 OBLIGATION OF FUNDS**

Pursuant to this Contract's Section I Clause entitled "DEAR 970.5232-4, Obligation of Funds," the total amount obligated by the Government with respect to this Contract is \$\_\_\_\_\_. The associated accounting and appropriation data is:

<u>PR Number</u>	<u>App Symbol</u>	<u>Allott</u>	<u>B&amp;R No.</u>	<u>FT</u>	<u>FP</u>	<u>OBJ</u>	<u>XID</u>	<u>Amount</u>
*	*	*	*	*	*	*	*	*

[\*To be completed by the Contracting Officer at the effective date of the Contract.]

#### **B-6 AVAILABILITY OF APPROPRIATED FUNDS**

Except as may be specifically provided to the contrary to the Contract's Section I Clause entitled "DEAR 952.250-70, Nuclear Hazards Indemnity Agreement," the duties and obligations of the Government hereunder calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the Congress, which DOE/NNSA may legally spend for such purposes.

#### **B-7 PERFORMANCE EVALUATION PLAN (PEP)**

- (a) Performance Evaluation Plan. A PEP developed by NNSA, with Contractor input, shall document the process by which the Contractor's performance will be evaluated. The Parties will strive to reach mutual agreement on expected business, operational and technical performance and will work together to develop performance incentives. In the event the parties fail to agree on the requirements, the Contracting Officer reserves the unilateral right to make the final decision on all performance incentives used to evaluate Contractor performance. The PEP shall be finalized, whether bilaterally or unilaterally, prior to the start of an appraisal period and incorporated into the Contract by a formal contract modification in Section J, Appendix B, Performance Evaluation Plan. Only the Contracting Officer may revise the PEP, consistent with Section J, Appendix A, Statement of Work (SOW), during the appraisal period of performance. No changes will be made to the PEP with less than 60 days remaining in the appraisal period.
- (b) Contractor Appraisal Self-Assessment Report. A periodic self-assessment shall be prepared by the Contractor of its performance against the performance incentives contained in the PEP and other significant factors as determined by the Contractor and Contracting Officer.

(c) Determination of Performance Incentive Fee

- (1) NNSA shall evaluate the Contractor's performance against the PEP.
- (2) The fee determination will be made in accordance with the PEP and supported by the Performance Evaluation Report (PER). The determination as to the amount of Performance Incentive Fee earned is a unilateral determination made by the Fee Determination Official (FDO).
- (3) The Contractor shall be promptly advised in writing of the amount and the basis of the Performance Incentive Fee determination.
- (4) Performance Incentive Fee not earned (unearned fee) during the evaluation period shall not be made available in future evaluation periods.

(d) Schedule. The Contracting Officer shall issue the FDO's final total Performance Incentive Fee amount earned determination in accordance with this Contract. A determination must be made within sixty calendar days after the receipt by the Contracting Officer of the Contractor's self assessment or seventy calendar days after the end of the evaluation period, whichever is later, or a longer period if the Contractor and Contracting Officer agree. Within ten calendar days of the FDO final determination, the Contracting Officer shall issue a modification to the contract authorizing the payment of such fee. If the Contracting Officer evaluates the Contractor's performance of specific requirements on their completion, the payment of any earned fee amount must be made within seventy calendar days (or such other time period as mutually agreed to between the Contracting Officer and the Contractor) after such completion. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined total available fee amount earned at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the payment date. This rate is referred to as the "Renegotiation Board Interest Rate," and is published in the Federal Register semiannually on or about January 1 and July 1. The interest on any late total available fee amount earned determination will accrue daily and be compounded in 30-day increments inclusive from the first day after the schedule determination date through the actual date the determination is issued. That is, interest accrued at the end of any 30-day period will be added to the determined amount of fee earned and be subject to interest if not paid in the succeeding 30-day period.

**SECTION C**

**DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK**

**C-1 STATEMENT OF WORK**

The work to be performed is set forth in Section J, Appendix A, Statement of Work.

**SECTION D**

**PACKAGING AND MARKING (Reserved)**

**SECTION E**

**INSPECTION AND ACCEPTANCE**

**E-1 FAR 52.246-5 INSPECTION OF SERVICES – COST-REIMBURSEMENT  
(APR 1984)**

- (a) Definition. "Services," as used in this clause, includes services performed, workmanship, and material furnished or used in performing services.
- (b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.
- (c) 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 will not unduly delay the work.
- (d) If any of the services performed do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by re-performance, the Government may--
  - (1) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and
  - (2) Reduce any fee payable under the contract to reflect the reduced value of the services performed.
- (e) If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may--
  - (1) By contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances; or
  - (2) Terminate the contract for default.

**E-2 ACCEPTANCE**

Acceptance for all work and effort under this Contract shall be accomplished by the Contracting Officer or any other duly authorized representative.

**SECTION F**

**DELIVERIES OR PERFORMANCE**

**F-1 FAR 52.242-15 STOP-WORK ORDER (AUG 1989) ALTERNATE I (APR 1984)**

- (a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either--
- (1) Cancel the stop-work order; or
  - (2) Terminate the work covered by the order as provided in the Termination clause of this contract.
- (b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected, and the contract shall be modified, in writing, accordingly, if--
- (1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this Contract; and
  - (2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this contract.
- (c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.
- (d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

## **F-2 PERIOD OF PERFORMANCE**

(a) The Contract's period of performance includes:

Transition Term – the effective date of the Contract through December 31, 2012;

Base Term – January 1, 2013 through December 31, 2017; and, if exercised;

Option Term 1 – January 1, 2018 through December 31, 2019; and, if exercised;

Option Term 2 – January 1, 2020 through December 31, 2021: and, if exercised;

Option Term 3 – January 1, 2022 through December 31, 2022.

(b) The period of performance of this Contract will expire on December 31, 2017, unless sooner reduced, terminated or extended in accordance with the provisions of this Contract. The Contract period of performance may be extended in increments, or portions thereof, for up to an additional period of five years of performance in accordance with Section F, F-5, Evaluation of Performance and Exercise of Option(s). The Contract's maximum period of performance, including Options, if exercised, beyond the Transition Term and Base Term of the Contract shall not exceed ten (10) years, six months.

(c) The Transition Term shall be for the transition activities identified in Section J, Appendix C, Contractor's Transition Plan. The Contractor's responsibility for management and operation of the Sites against the Statement of Work shall commence with the Base Term. The Option Terms 1-3 conditions are set forth in Section F, F-5, Evaluation of Performance and Exercise of Option(s).

## **F-3 PRINCIPAL PLACE OF PERFORMANCE**

The work under this Contract is to be carried out at a variety of locations within and outside the United States, with the principal locations of performance being at the Y-12 National Security Complex in Oak Ridge, Tennessee, the Pantex Plant near Amarillo, Texas, with an option for SRTO near Aiken, South Carolina.

## **F-4 STOP WORK IN EVENT OF IMMINENT DANGER**

In the event that a determination or observation of conditions is immediately dangerous to the life or health of the workers, the public, or the environment, the Contractor shall immediately cease that activity. In the event of imminent danger, any Federal or Contractor employee is authorized to instruct the Contractor to properly stop work. The Contracting Officer must be contacted immediately after the event such that a written Stop-Work order can be issued in accordance with the Contract's Section F Clause entitled "FAR 52.242-15, Stop-Work Order Alternate I." The Contractor shall include this clause in all subcontracts to be performed at the sites.

**F-5 EVALUATION OF PERFORMANCE AND EXERCISE OF OPTION(S) (THIS CLAUSE APPLIES TO CLIN 0001 ONLY)**

This Contract includes several options: three options (Option Terms 1-3) extend the term of this Contract and an option to include SRTO within the scope of this Contract.

(a) Option Exercise for Additional Term

When deciding whether to exercise the option in accordance with the Contract's Section I Clause entitled "FAR 52.217-9, Option to Extend the Term of the Contract" the Contracting Officer will consider the gateway decision made by the Fee Determining Official (FDO) and NNSA's requirements.

Gateway Decision: This Gateway Decision is a unilateral decision of the FDO based on the Contractor's performance rating under this Contract in accordance with Section B, B-7, Performance Evaluation Plan, and the Contractor's delivery of cost savings, in accordance with the cost savings profile in Section J, Appendix D, Merger Transformation Plan.

Option Term 1: Commencing in the fourth year of the Contract, the Contract's period of performance may be extended by the Contracting Officer for two additional years. This decision will be based on the first three years performance during the Base Term as documented in the annual NNSA Performance Evaluation Reports. The score in the annual evaluation reports must be "very good" or above and/or achieve 80% or better on objective performance incentives as defined in the PEP for each of the first three years of the Base Term. The Contractor must also meet a minimum of 80% of the projected cost savings in the cost savings profile in Section J, Appendix D, Merger Transformation Plan.

Option Term 2: Commencing in the sixth year of the Contract, the Contract's period of performance may be extended for two additional years based on the same standard of performance (score) and cost savings noted in Option Term 1 above.

Option Term 3: Commencing in the eighth year of the Contract, the Contract's period of performance may be extended for one additional year based on the same standard of performance (score) and cost savings noted in Option Term 1 above.

The table below reflects Option Terms 1, 2, & 3.

	Gateway Decision Point	Performance Years Evaluated	Option Years Available
Option Term 1	Beginning of Calendar Year 4	1-3	6-7
Option Term 2	Beginning of Calendar Year 6	4-5	8-9
Option Term 3	Beginning of Calendar Year 8	6-7	10

(b) Option Exercise to add SRTO

This option allows for adding the SRTO scope of work to the Contract. If the NNSA determines it is in the best interest of the Government to exercise this option, the Contract will be modified unilaterally by the Contracting Officer to add the SRTO effort. Immediately upon option exercise, the Contractor will be required to provide a Transition Plan including the same elements as noted in Section F, F-7(a) and (b). The Contractor shall also update applicable Contract requirements, as directed by the Contracting Officer, including the Performance Guarantee(s), Subcontracting Plan, etc. at the time of option exercise. NNSA intends to exercise the SRTO option at the end of the first year; however the determination will be based on NNSA mission requirements and other factors at that time.

**F-6 DELIVERABLES**

The primary deliverables under this Contract are nuclear weapon assembly/disassembly, highly enriched uranium, and high-explosive products to support NNSA Stockpile Stewardship and Management Program activities directed by the Office of Defense Programs. NNSA tritium supply management deliverables are also included in Contractor responsibilities if this option is exercised. To ensure that effective and efficient management systems exist for the management and operation of the sites, this Contract also requires the delivery of certain documents, plans, and reports for the Contracting Officer's review and approval. The Contractor shall manage all deliverables required throughout this Contract.

**F-7 DELIVERABLES DURING TRANSITION**

In addition to the transition deliverables identified elsewhere in the Contract, the following deliverables shall be submitted during the Transition Term as follows:

- (a) Transition Plan. The Contractor shall provide a Transition Plan within 10 calendar days after the effective date of the Contract for the transition activities at the Y-12 National Security Complex and Pantex Plant following the guidance provided at Section J, Appendix C, Contractor's Transition Plan. The Transition Term is specified in Section F, F-2, Period of Performance. The Transition Plan will become part of Section J, Appendix C, Contractor's Transition Plan. This Transition Plan is separate from, and in addition to, the Merger Transformation Plan requested in paragraph (e) of this clause.

- (b) Transition Cost Estimate. The Contractor shall provide a Transition cost estimate for the transition activities at the Y-12 National Security Complex and the Pantex Plant to the Contracting Officer within 10 calendar days after the effective date of the contract. The Transition cost estimate shall include: (1) the costs associated with the Transition Plan; and (2) the costs necessary for the Contractor to meet the transition requirements during the Transition Term. The Transition cost estimate will be subject to approval by the Contracting Officer. For the Contract's Transition Term, the Contractor shall provide a summary by major cost elements to perform the transition activities and meet transition requirements required during the Transition Term.
- (1) The Contractor must provide a cost summary for the Transition Plan that clearly identifies by cost element, the portion of the cost proposal that pertains to each participant, if a teaming arrangement is proposed, including subcontractors. In addition, each participant and each subcontractor must provide separate exhibits, summary schedules and supporting cost information in the same format and level of detail as required below. A separate transition fee is not allowable.
    - (i) Labor: Identify proposed transition labor hours and unburdened labor rates by labor category and or/specific individual (including Key Personnel). Explain the basis for the proposed labor hour and labor rate estimates.
    - (ii) Indirects: Identify the cost elements included in each indirect rate cost pool and allocation base. Explain the basis of estimate for each indirect cost rate proposed and the methods used to derive the proposed rates.
    - (iii) Materials, Equipment, Subcontracts, and Other Direct Costs: Provide an exhibit that summarizes proposed materials, equipment, services, space/lease costs, travel, and other direct cost items relating to the transition effort. Show the proposed quantity, unit price, and extended amounts, and provide the basis of estimate and supporting documentation used to determine the proposed prices.
    - (iv) Relocation Costs: A relocation cost estimate shall be provided for each of the Key Personnel that separately identifies the proposed travel, services, and other direct costs items related to relocation.
  - (2) The Contractor shall also separately provide a cost summary for accomplishing those tasks required during the Transition Term that are identified in Section J, Appendix A, Statement of Work (Chapter III, 2.0 Workforce Transition). In addition to the requirements of paragraph (b)(1) of this clause, costs proposed must be cross-referenced to the specific tasks in Section J, Appendix A, Statement of Work (Chapter III, 2.0 Workforce Transition) that must be accomplished during the Transition Term. A detailed schedule for accomplishment of these tasks during the Transition Term shall also be provided to support the requested cost estimate.

- (c) Community Commitment Plan. The Contractor shall deliver within 10 calendar days after the effective date of the Contract, a community commitment plan that has been discussed between the Contractor and the community. The Community Commitment Plan will consist of commitments between the Contractor and the surrounding communities of the sites under this Contract for purposes of supporting the communities and their economic base. As this plan will not become part of the resulting Contract requirements, costs associated with the development of the plan will be considered allowable, however costs associated with implementing the plan will be considered unallowable.
- (d) Key Personnel Cost Estimate.
- (1) The Contractor shall propose initial total Key Personnel compensation costs for each of its Key Personnel for fiscal year (FY) 2012 within 10 calendar days after the date of effective date of the Contract. The Key Personnel compensation costs will be subject to approval by the Contracting Officer during the Transition Term. For FY 2012, for Key Personnel, the Contracting Officer will approve one time salary increase requests due to recruitment or promotion actions up to 6 percent above the prior incumbent's Key Personnel reimbursed salary as of the date of effective date of the contract or 10 percent above the candidate's current salary whichever is less. No reimbursement above the limits specified will be allowed under the Contract for FY 2012.
  - (2) Separately identify and provide a total summary of the annual compensation costs of the Contractor's proposed Key Personnel for FY 2012. Costs shall include annual base salaries, and applicable bonuses, incentive pay, fringe benefits, and other key personnel compensation. For each of the Key Personnel proposed, identify the individual's position, name, current annual salary, and basis for determining the proposed annual salary. Separately identify and describe the basis of estimate for applicable fringe benefits, incentive pay, bonuses, and any other forms of Key Personnel compensation. Provide narrative support sufficient to explain the development and reasonableness of the proposed compensation costs.
  - (3) Notwithstanding any other term or condition set forth in the Contract, the compensation for each of the Contractor's Key Personnel shall not exceed \$693,951 or the revised benchmark amount, in any subsequent Government fiscal year, as determined by the applicable Determination of Executive Compensation Benchmark Amount Pursuant to Section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435), as Amended, as required in FAR 31.205-6, Compensation for Personal Services; paragraph (p), Limitation on allowability of compensation for certain Contractor personnel. Any amount in excess of the OFPP benchmark must be identified and excluded from the Contractor's proposed Key Personnel Costs.

- (e) Merger Transformation Plan. Section J, Appendix A, Statement of Work, requires that the Contractor provide a “Merger Transformation Plan” for Contracting Officer’s approval within 60 calendar days after the date of the Contract. The Contractor’s Merger Approach and Timeline and total estimated savings over the 10 year total period of performance described in Section L, L-14(b), Management Approach and Cost Savings, which was submitted by the Contractor in its proposal for purposes of evaluation for award, shall be incorporated as a part of Section J, Appendix D, Merger Transformation Plan. The Merger Transformation Plan shall also include Performance Fee Incentives, associated measures, and targets to be considered for inclusion in the Contract’s multi-year Performance Evaluation Plan (PEP) and be used as consideration for additional Contract term.
  
- (f) Conflict of Interest Compliance Plan. The Contractor shall submit a Conflict of Interest (COI) Compliance Plan to the Contracting Officer for approval within 90 days after the award date of this Contract. The COI Compliance Plan shall address the Contractor's approach for adhering to this Contract’s Section I Clause entitled “DEAR 952.209-72 Organizational Conflicts of Interest Alternate I” and describe its procedures for aggressively self-identifying and resolving both organizational and employee conflicts of interest. The overall purpose of the COI Compliance Plan is to demonstrate how the Contractor will assure that its operations meet the highest standards of ethical conduct, and how its assistance and advice are impartial and objective. The COI Compliance Plan shall include the minimum standards at Section J, Appendix Q, Minimum Standards for Contractor’s COI Plans.
  
- (g) UPF Project Execution Plan. Section J, Appendix A, Statement of Work, requires that the Contractor provide an updated “Project Execution Plan” for Contracting Officer’s approval within 150 calendar days after start of transition. The UPF Project Execution Plan shall be consistent with the Project Management Approach submitted with the Contractor’s proposal described in Section L, L-14(e).

## **SECTION G**

### **CONTRACT ADMINISTRATION DATA**

#### **G-1 CORRESPONDENCE PROCEDURES**

To promote timely and effective administration under this Contract, the Contractor shall be subject to the following procedures:

(a) Technical and Administrative Correspondence:

Technical and Administrative Correspondence concerning performance of this Contract shall be addressed to the responsible NNSA Contracting Officer's Representative (COR), with an information copy to the NNSA Contracting Officer. CORs are listed in Section J, Appendix S.

(b) Designation of Contracting Officer's Representative(s)

The Contracting Officer's Representative's official delegation of authority shall be provided to the Contractor in writing. This delegation will describe the COR's authorities in detail. However, it is emphasized that only the Contracting Officer has the authority to modify the terms of the Contract, therefore, in no event will any understanding, agreement, modification, change order, or other matter deviating from the terms of the basic Contract between the Contractor and any other person be effective or binding on the Government. When/If, in the opinion of the Contractor, an effort outside the existing scope of the Contract is requested, the Contractor shall promptly notify the Contracting Officer in writing. No action shall be taken by the Contractor unless the Contracting Officer has issued a formal, written contractual change.

If an effort under this Contract requires that an Alternate COR is to perform duties in the absence of the responsible COR, all responsibilities and functions assigned to the COR shall be the responsibility of the Alternate COR acting on behalf of the COR.

(c) Contractual Correspondence/Matters

Correspondence involving Contractual matters shall be addressed to the Contracting Officer responsible for administration of this Contract. The Contracting Officer for NNSA is TBD. This individual shall be primarily responsible for all Contractual actions required to be taken by the Government under the terms of this Contract.

Notwithstanding the above, in the event the above named individual is absent for an extended period or an urgent action is required, any other duly appointed Contracting Officer assigned shall be authorized to take the required Contractual action(s) within the limits of his/her authority.

(d) NNSA Contracting Office Address

DOE/NNSA  
TBD

(e) Marking

To promote timely and effective administration, correspondence submitted under this Contract shall contain a subject line commencing with the Contract Number, as illustrated:

"SUBJECT: CONTRACT NUMBER TBD, (insert subject topic after Contract Number, e.g., "Request for subcontract placement approval").

(f) Distribution

A copy of all correspondence addressed to the Contracting Officer shall be provided to the Federal Line Manager at the mailing address stated in G-1(d) above.

**G-2 MODIFICATION AUTHORITY**

Notwithstanding any of the other clauses of this Contract, a Contracting Officer is the only individual authorized, on behalf of the Government, to:

- (a) Accept nonconforming work;
- (b) Waive any requirement of this Contract; or
- (c) Modify any term or condition of this Contract.

**G-3 DOE/NNSA PATENT COUNSEL**

The Patent Counsel for items concerning patent, intellectual property, technology transfer, copyright, open source, licenses and technical data issues is identified below. Correspondence being sent to the DOE/NNSA Patent Counsel should be addressed to:

NNSA Patent Counsel  
Office of General Counsel (NA-GC)  
P.O. Box 5400  
Albuquerque, NM, 87185-5400  
Phone: (505) 845-5172

#### **G-4 DOE/NNSA ORGANIZATIONAL PROPERTY MANAGEMENT OFFICER**

The Contractor may use the Organizational Property Management Officer as a point of contact for guidance and assistance involving property requirements. The Contracting Officer shall be contacted for any matter which involves a change in any of the express terms and conditions of the Contract. Correspondence being sent to the Organizational Property Management Officer should be addressed to:

Organizational Property Management Officer (OPMO)  
Business Services Division  
M&O Support Branch  
Personal Property Section (NA-APM-113-2)  
P.O. Box 5400  
Albuquerque, New Mexico, 87185-5400  
Telephone: (505) 845-5437

#### **G-5 CONTRACTOR CONTACT**

The Contractor shall identify to the Contracting Officer the point of contact who has the authority and is responsible for managing, administering, and negotiating changes to the terms and conditions of this Contract as well as executing Contract modifications on behalf of the Contractor.

#### **G-6 PERFORMANCE GUARANTEE(S)**

The Contractor is required to organize a separate corporate entity to perform the work under the Contract which shall be totally responsible for all Contract activities. The Contractor's parent organization(s) or all member organizations if the Contractor is a joint venture, limited liability company, or other similar entity, where more than one company is involved in a business relationship created for the purpose of performing under the resultant contract, shall guarantee performance as evidenced by the Performance Guarantee Agreement(s) incorporated in Section J, Appendix E, Performance Guarantee Agreement(s). If the Contractor is a joint venture, limited liability company, or other similar entity where more than one organization is involved, the parent or all member organizations shall assume joint and severable liability for the performance of the Contractor. In the event any of the signatories to the Performance Guarantee Agreement(s) enters into proceedings related to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Contracting Officer.

**G-7 RECOGNITION OF PERFORMING ENTITY**

(a) The Contractor and the Government recognize that the parties named below form the performing entity on which the award of this Contract was based.

The performing entity is \_\_\_\_\_ . This entity is comprised of:  
\_\_\_\_\_

(b) Accordingly, the Contractor and the Government agree that:

The Contractor shall take no action to replace the components of the entity named in paragraph (a) of this clause without the prior written approval of the Contracting Officer.

**G-8 RESPONSIBLE CORPORATE OFFICIAL**

Notwithstanding G-6, Performance Guarantee(s), the Government may contact, as necessary, the single responsible corporate official identified below, who is at a level above the Contractor and who is accountable for the performance of the Contractor. Should the responsible corporate official change during the period of the Contract, the Contractor shall promptly notify the Government of the change in the individual to contact.

- Name:
- Position:
- Company:
- Address:
- Phone:
- Facsimile:
- E-mail:

## **SECTION H**

### **SPECIAL CONTRACT REQUIREMENTS**

#### **H-1 CONFIDENTIALITY OF INFORMATION**

- (a) In accordance with the Contract's Section I Clause entitled "DEAR 952.209-72 Organizational Conflicts of Interest Alternate I," to the extent that the work under this Contract requires that the Contractor be given access to confidential or proprietary business, technical, or financial information belonging to the Government or other companies, the Contractor shall, after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized by the Contracting Officer in writing. The foregoing obligations, however, shall not apply to:
- (1) Information which, at the time of receipt by the Contractor, is in the public domain;
  - (2) Information which is published after receipt thereof by the Contractor or otherwise becomes part of the public domain through no fault of the Contractor;
  - (3) Information which the Contractor can demonstrate was in its possession at the time of receipt thereof and was not acquired directly or indirectly from the Government or other companies; or
  - (4) Information which the Contractor can demonstrate was received by it from a third party that did not require the Contractor to hold it in confidence.
- (b) The Contractor shall obtain the written agreement, in a form satisfactory to the Contracting Officer, with each employee permitted access, whereby the employee agrees that he will not discuss, divulge, or disclose any such information or data to any person or entity except those persons within the Contractor's organization directly concerned with the performance of the Contract.
- (c) The Contractor agrees, if requested by the Government, to sign an agreement identical, in all material respects, to the terms of this clause, with each company supplying information to the Contractor under this Contract, and to supply a copy of such agreement to the Contracting Officer.
- (d) The Contractor agrees that upon request by DOE/NNSA, it will execute a DOE/NNSA-approved agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities. Upon request by DOE/NNSA, such an agreement shall also be signed by Contractor personnel.
- (e) This clause shall flow down to all subcontracts.

- (f) Technical data is addressed in this Contract's Section I Clause entitled "DEAR 970.5227-2, Rights in Data-Technology Transfer."

## **H-2 NNSA PRIME CONTRACTS**

- (a) In accordance with the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes," the Contracting Officer may identify any of the work contemplated by Section J, Appendix A, Statement of Work, of this Contract to be performed either by another Contractor directly contracted by the DOE/NNSA or by Government employees. The Contractor agrees to fully cooperate with such other Contractors and Government employees, carefully fit its own work to such other work as may be directed by the Contracting Officer, and provide reasonable support as required. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by Government employees. For work identified for performance by another Contractor directly contracted by the NNSA—
- (1) The Government and the Contractor will confer in advance on the strategy for changing responsibility for the work and will do so with the objective of minimum disruption to the site operations.
  - (2) The Government may designate the Contractor as the Technical Monitor (not authorized to accept or provide technical direction) for such Contracts that are directly related to the scope of this Contract. The Contractor agrees to perform such monitoring duties as shall be further described in the designation for each such Contract. No designation shall include, and the Contractor shall not perform any function determined to be inherently Governmental. These functions include, but are not limited to:
    - (i) Award, modification, change, or termination of the Contract.
    - (ii) Receipt, processing or adjudication of any claims, invoices, or demands for payment of any form.
  - (3) The Technical Monitor shall report to the Contracting Officer, or the Contracting Officer's Representative, any performance of a designated Contract that may not be in compliance with its terms and conditions but is not authorized to take any other action regarding such noncompliance.
  - (4) Additionally, the NNSA agrees to insert the clause below entitled "Other Government Contractors Performing Work at the M&O Site," substantially as written here, in all such Contracts as follows:

*OTHER GOVERNMENT CONTRACTORS PERFORMING WORK AT THE M&O SITE*  
*In addition to this Contract, (Insert Contract Number), the Government may undertake or award other Contracts for additional work or services at the Nuclear Production Sites. The Contractor agrees to fully cooperate with the M&O Contractor, other*

*Contractors, and Government employees, and carefully coordinate its own work with other work being performed at the site as may be directed by the Contracting Officer. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by Government employees at the site.*

*The Government may designate the M&O Contractor to be the Technical Monitor for any right, duty or interest in this Contract. If the M&O Contractor is designated, a copy of the designation letter will be provided to the Contractor by the Government. The Contractor further agrees to fully cooperate with the M&O Contractor for all matters under the terms of the designation.*

- (b) In the cases where the Government directly contracts with other entities and retains administration, the Contractor shall fully cooperate with these other entities and provide reasonable support as required.
- (c) Adjustments shall be made to the Contractor's Subcontracting Plan to recognize the changes to the subcontracting base and goals, if appropriate.

### **H-3 INSTRUCTIONS FOR UPDATING FOREIGN OWNERSHIP, CONTROL OR INFLUENCE (FOCI) INFORMATION (APRIL 2010)**

- (a) In order to submit periodic updates or to report changes to Foreign Ownership, Control or Influence information as required by this Contract's Section I Clause entitled "DEAR 952.204-2, Security," the Contractor shall use the DOE/NNSA FOCI electronic submission system located at <https://foci.td.anl.gov>.
- (b) New users, when registering to update information under this Contract, should select "NNSA Service Center Procurement" as the FOCI Office that will review the FOCI Submission.
- (c) An original signed hardcopy "Certificate Pertaining to Foreign Interest" form, SF 328, is not required. Instead, the respective Contractor facility shall print, sign and scan the SF 328 into the eFOCI package. The Key Management Personnel (KMP) form shall also be printed, signed and scanned into the eFOCI package.

### **H-4 LIMITATION ON PROTECTIVE FORCE SUBCONTRACTING**

The Contractor shall not subcontract protective force services and responsibilities.

### **H-5 NOTIFICATION OF CONFLICTS OF INTEREST REGARDING PERSONNEL**

- (a) In addition to the requirements of the Contract's Section I Clause entitled "DEAR 952.209-72 Organizational Conflicts of Interest Alternate I," the following terms with regard to employee personnel performing under this Contract shall apply until the earlier of the following two dates: the termination date of the affected employee(s) or the expiration date of the Contract.

- (b) The Contractor shall notify immediately the Contracting Officer's Representative(s) and the Contracting Officer of (1) any actual or potential personal conflict of interest with regard to any of its employees working on or having access to information regarding this Contract, or (2) any such conflicts concerning subcontractor employees or consultants working on or having access to information regarding this Contract, when such conflicts have been reported to the Contractor. A personal conflict of interest is defined as a relationship of an employee, subcontractor employee, or consultant with an entity that may impair the objectivity of the employee, subcontractor employee, or consultant in performing the Contract work.
- (c) The Contractor shall notify each Contracting Officer's Representative and Contracting Officer prior to incurring costs for that employee's work when an employee may have a personal conflict of interest. In the event that the personal conflict of interest does not become known until after performance on the Contract begins, the Contractor shall immediately notify the Contracting Officer of the personal conflict of interest. The Contractor shall continue performance of this Contract until notified by the Contracting Officer of the appropriate action to be taken.
- (d) The Contractor shall insert in any subcontract or consultant agreement placed hereunder, where applicable, terms which shall conform substantially to the language of this clause, including this paragraph (d), unless otherwise authorized by the Contracting Officer.

#### **H-6 ANNUAL CONFLICT OF INTEREST CERTIFICATION**

The Contractor shall submit an annual conflict of interest certification to the Contracting Officer. In this certification, the Contractor shall certify annually that, to the best of the Contractor's knowledge and belief, all actual or potential organizational conflicts of interest have been reported to NNSA. In addition, in this annual certification, the Contractor shall certify that it has informed its personnel who perform work under NNSA Contracts or relating to NNSA Contracts of their obligation to report personal and organizational conflicts of interest to the Contracting Officer. Such certification must be signed by a senior executive of the company and submitted in accordance with instructions provided by the Contracting Officer. The initial certification shall cover the one-year period from the date of effective date of the Contract, and all subsequent certifications shall cover successive annual periods thereafter, until expiration or termination of the Contract. The certification must be received by the Contracting Officer no later than 45 days after the close of the certification period covered.

#### **H-7 SMALL BUSINESS PARTICIPATION**

Small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns submitted by the Contractor in its proposal for purposes of evaluation for award, are incorporated into this Contract at Section J, Appendix K, Small Business Subcontracting Plan. To the extent that such concerns specifically were identified in the proposal, they are also incorporated into this Contract and the Contractor

shall notify the Contracting Officer of any changes in scope and value, and any substitutions of firms. This notification shall include a rationale and justification for the changes.

The Contractor's performance in meeting and exceeding its proposed socio-economic business participation shall be assessed as part of the fee determination under this Contract.

## **H-8 COST SAVINGS**

This clause implements the Cost Reduction clause, DEAR 970.5215-4, of this contract for purposes of all savings achieved by the contractor in accordance with its Cost Reduction Proposal approved at time of contract award, savings for CLINs 0001B, and 0001G and savings sustained;

(a) Definitions – See the Cost Reduction clause, DEAR 970.5215-4, for definitions applicable to this clause. For purposes of the CRP approved at time of contract award, the following shall apply;

- DOE/NNSA cost shall only include those costs agreed to under the merger CPR.
- Implementation Costs shall also include relocation, training and severance required to effect the merger.

(b) The Contractor shall utilize annual controlled baselines (hereinafter referred to as baselines) for all Contractor support costs and programs. The baselines shall include cost, scope of work, and schedule established in the CRP approved by the Government at time of contract award. The Contractor shall:

- Include the NNSA Uniform Program Cost Reporting Structure format elements (labor, fringe, materials, other direct costs, etc.) in the baselines;
- Ensure baselines are compatible with the NNSA Financial Management and Business Systems End State Requirements;
- Have in place tools to: 1) manage mission changes in scope, cost, and schedule, 2) compare actual costs of work performed (ACWP) to budgeted costs of work performed (BCWP), 3) accurately forecast estimated costs to complete (ETC) and estimated total costs at completion (EAC), and 4) document deviations from the performance measurement baseline and, on a timely basis, notify the Contracting Officer of such changes;
- Not make retroactive changes to records pertaining to work performed that will change previously-reported costs, except for correction of errors and routine accounting adjustments; and
- Not make retroactive changes for funding fluctuations or revisions in EAC.
- Notify the Contracting Officer of all cost savings initiatives and associated benefits and risks prior to implementation.

- (c) Validation of Shared Net Savings. Validation shall be performed in accordance with the Cost Reduction clause. In addition, baselines will be used to effectively manage and validate actual costs and savings to ensure program efficiencies. Contractor institutional cost reporting and program cost data will be used to measure savings in cost and associated resources. Cost data must be compatible with, and in a format, required by Section J, Appendix O, Program Management and Cost Reports.
- (d) Sharing Arrangement. The Contractor may share in any net savings from the implementation of the CRP accepted by the Government at time of contract award as provided in this paragraph, the Cost Reduction clause notwithstanding. Savings will be accrued and dispositioned as follows: 50% of the net savings shall be the Government's share of savings; 30% of the shared savings shall remain at the DOE/NNSA sites; and the Contractor shall earn a 20% share of cost savings as identified in Section B, B-2(a)(2)(iii). If the savings are validated, the Government will decide how to redirect its share of the funds.
- (e) For purposes of CRP approved at time of award, all saving to include both Government and contractor share, shall be hard saving.

#### **H-9 PROMPT PAYMENT TO SUBCONTRACTORS**

Notwithstanding any other payment clause in this contract, the Contractor shall make invoice payments to subcontractors under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or the date of an electronic funds transfer (EFT). Definitions of pertinent terms are set forth in sections 2.101, 32.001, and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified.

Due date for invoice payments.

- (a) The due date for making invoice payments by the designated payment office shall be the later of the following two events:
  - (1) The 30th day after the Contractor receives a proper invoice from the subcontractor.
  - (2) The 30th day after the supplies delivered or services performed are accepted by the Contractor. For a final invoice, when the payment amount is subject to contract settlement actions, acceptance is deemed to occur on the effective date of the contract settlement.
- (b) If the Contractor fails to annotate the invoice with the actual date of receipt at the time of receipt, the invoice payment due date is the 30th day after the date of the subcontractor's invoice; provided the Contractor receives a proper invoice and there is no disagreement over quantity, quality, or subcontractor compliance with contract requirements.

**H-10 ADDITION AND ALTERATIONS TO IMPLEMENT EXECUTIVE ORDER 13423, STRENGTHENING FEDERAL ENVIRONMENTAL, ENERGY, AND TRANSPORTATION MANAGEMENT AND ITS IMPLEMENTING INSTRUCTIONS**

This contract involves contractor operation of Government-owned facilities and/or vehicles and the provisions of Executive Order 13423 are applicable to the Contractor to the same extent they would be applicable if the Government were operating the facilities or vehicles. Information on the requirements of the Executive Order and its Implementing Instructions may be found at [http://ofee.gov/Executive Order/Executive Order13423\\_main.asp](http://ofee.gov/Executive Order/Executive Order13423_main.asp). This requirement includes the Electronics Stewardship requirements of Implementing Instruction XII. When acquiring desktop or laptop computers and computer monitors, the Contractor shall acquire Electronic Product Environmental Assessment Tool registered products conforming to IEEE 1680-2006 Standard and ranked at least bronze, provided such products are life cycle cost efficient and meet applicable performance requirements. Information on EPEAT-registered computer products is available at [www.epeat.net](http://www.epeat.net).

**H-11 LOBBYING RESTRICTION (FULL-YEAR CONTINUING APPROPRIATIONS ACT, 2011)**

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

**H-12 EVALUATION OF PERFORMANCE FOR CLIN 0002**

The Government reserves the right to de-scope this Contract for lack of acceptable performance in meeting cost, schedule, or quality requirements in accordance with the Contract's Section I Clause entitled "FAR 52.249-6, Termination (Cost-Reimbursement)." CLIN 0002 performance will be evaluated annually against the Project Execution Plan.