

U.S. DEPARTMENT OF ENERGY

**TECHNICAL ASSISTANCE
AND
REMEDIAL SERVICES CONTRACT**

CONTRACT NO. DE-AC13-96GJ87335

CONTROLLED COPY # 3



Department of Energy
Grand Junction Projects Office
Post Office Box 2567
Grand Junction, Colorado 81502-2567

June 28, 1996

Vice President and CFO
MACTEC
1819 Denver West Drive, Suite 400
Golden, CO 80401

Dear

Enclosed is your fully executed copy of Contract DE-AC13-95GJ87335.

Should you have any questions, please contact me at (970) 248-6043.

Sincerely,

A handwritten signature in cursive script that reads "Cheryl A. Thompson".

Cheryl A. Thompson
Contracting Officer
Grand Junction Source Evaluation Board

Enclosure

cc w/enclosure:
Mike Tucker, GJPO

1. Clause F.02, **PERIOD OF PERFORMANCE**, is revised to delete 36 months and replace it with 48 months and delete two (2) additional one-year periods and replace it with one (1) additional one-year period.. The clause will now read as follows:

F.02 PERIOD OF PERFORMANCE

The final completion of this contract, including completion and submission of all reports required by Part III, Section J, Attachment B, shall be 48 months after the effective date of this contract. All services under the contract may be extended for one (1) additional one-year period in accordance with the Section B paragraph entitled "Option to Extend the Duration of the Contract Services." If the option period is exercised, the total contract term shall be completed 60 months after the effective date of the contract.

2. Clause H.20, **DISTRIBUTION OF AWARD FEE POOL**, paragraph a, is deleted in its entirety and replaced with the following. This revision adds the award fee available for the first option period and updates the award fee earned to date.

H.20 DISTRIBUTION OF AWARD FEE POOL

- a. Award fee. For award fee determination purposes, the contract shall be divided into six-month periods. The Award Fee Pool attributable to each six-month award fee period is shown below.

<u>Award Fee Period</u>	<u>Available Award Fee Pool</u>	<u>Award Fee Earned</u>
10/1/96 - 3/31/97	\$ 869,347	\$ 186,040
4/1/97 - 9/30/97	869,347	682,437
10/1/97 - 3/31/98	651,113	506,666
4/1/98 - 9/30/98	651,113	
10/1/98 - 3/31/99	618,831	
4/1/99 - 9/30/99	618,831	
10/1/99 - 3/31/00	643,014	
4/1/00 - 7/21/00	392,957	

3. All other terms and conditions of this contract remain unchanged.

The purpose of this modification is to eliminate the ceiling Corporate G&A rate and in its place show a ceiling dollar amount for the actual Corporate Home Office expenses that can be charged to this contract. This modification also adds the Cost Savings Incentive clause to the contract.

1. Clause H.33, LIMITATION ON INDIRECT RATES, is deleted in its entirety and the replaced with the following.

"H.33 LIMITATION ON INDIRECT RATES

Notwithstanding any other clause(s) of this contract, the Government shall not reimburse the Contractor for any indirect costs in excess of the indirect expense dollars derived for each of the Contractor's fiscal years by the application of the following individual indirect cost ceiling rates to the appropriate base outlined below. All indirect costs in excess of said amount(s) shall be borne by the Contractor.

Indirect Cost Ceiling Rates

FY 96 FY97 FY98 FY99 FY00 FY01

Fringe Benefit - Total Labor Dollars*

- * Accepted contingent upon equitable adjustment should medical insurance costs rise at a rate greater than labor escalation.

The indirect cost limitation set forth above include provisions for all known increases that shall take place during the term of this contract resulting from statute, court decisions, and/or written ruling or regulation by the Internal Revenue Service or any other taxing authority. However, in the event that during the term of this contract any other statute, court decision, and/or written ruling or regulation affects the Contractor's indirect costs, the indirect cost limitations shall be adjusted to the extent the Contracting Officer determines the increase or decrease, if any, said statute, court decision, and/or ruling or regulation impacts the Contractor's indirect costs."

2. Clause H.32, CORPORATE HOME OFFICE EXPENSES, is deleted in its entirety and replaced with the following.

"H.32 CORPORATE HOME OFFICE EXPENSES

Corporate home office expenses charged to this contract shall not exceed the amount stated below without the prior approval of the Contracting Officer. The amount actually charged to this contract will be based on actual costs incurred by the corporate office for the expense categories included in the Best and Final Offer dated March 29, 1996.

<u>Government Fiscal Year</u>	<u>Ceiling Amount</u>
FY 1996	\$
FY 1997	\$
FY 1998	\$
FY 1999	\$

<u>Corporate Fiscal Year</u>	<u>Ceiling Amount</u>
FY 1996	\$
FY 1997	\$
FY 1998	\$
FY 1999	\$

The indirect cost limitation set forth above include provisions for all known increases that shall take place during the term of this contract resulting from statute, court decisions, and/or written ruling or regulation by the Internal Revenue Service or any other taxing authority. However, in the event that during the term of this contract any other statute, court decision, and/or written ruling or regulation affects the Contractor's indirect costs, the indirect cost limitations shall be adjusted to the extent the Contracting Officer determines the increase or decrease, if any, said statute, court decision, and/or ruling or regulation impacts the Contractor's indirect costs."

3. The following Clause H.42, Cost Savings Incentive, is added to the contract.

"H.42, COST SAVING INCENTIVE

It is the Department of Energy's intent to have its facilities operated in the most efficient and cost-effective manner possible. To this end the Contractor shall, in the performance of this contract, assess its operations and identify areas where cost reductions would bring cost efficiency to operations without adversely affecting the level of performance required by the contract. The Government and the Contractor shall share identified cost variances as a result of efficient and cost-effective performance of work scope under this contract.

The Government and the Contractor shall share identified cost variances on the basis of 25% to the Contractor for each dollar of overrun or underrun. Such cost variance should be measured by the difference between the budgeted cost of work performed (BCWP) and the actual cost of work performance (ACWP) for the fiscal year. The negotiated task order amount shall consist of the original task order amounts and any task order modifications that affect the task order scope of work. Net cost savings or cost increases will be payable to or by the Contractor on at least an annual basis, after verification of the savings by the Government."

1. Wherever Grand Junction Projects Office is shown in the contract it is deleted and replaced with Grand Junction Office. Also DOE-GJPO is replaced with DOE-GJO wherever it is shown in the contract.
2. Clause B.05, DOWNWARD ADJUSTMENTS TO BASE AND AWARD FEE POOL, is deleted in its entirety. This clause is being deleted to encourage the Contractor to be more cost efficient in performing the work scope of this contract.
3. Clause B.06, ADMINISTRATIVE COST CEILINGS FOR REMEDIAL ACTION SUBCONTRACTS REIMBURSABLE TRAVEL, AND OTHER DIRECT COSTS, is revised to show the ceiling amount for relocation costs for the Total Base Period to be rather than This is per the Contractor's request letter dated September 18, 1996.
4. Clause G.04, THE DOE MANAGER, is revised as follows to correct the address and include the name of the current manager.

G.04 THE DOE MANAGER

The DOE Manager and address is as follows:

Department of Energy
Grand Junction Office
2597 B 3/4 Road
Grand Junction, CO 81503
ATTN: Jack B. Tillman, Manager

5. Clause G.07, ANNUAL INDIRECT COST RATE SUBMISSION, paragraph e is revised to delete Financial Management Division in the address and replace it with Albuquerque Financial Services Center.
6. Clause H.03, TECHNICAL DIRECTION, paragraphs b, d, d(1), and e are revised to reference task orders as well as the contract scope of work and to include reference to the Task Order Monitors (TOM). These paragraphs are revised as follows.
 - b. Technical direction must be within the scope of work stated in the contract or task orders. The DOE Manager, COR, or TOM do not have the authority to, and may not, issue any technical direction which:
 - (1) Constitutes an assignment of additional work outside the SOW;
 - (2) Constitutes a change as defined in the contract clause entitled "Changes;"

actual or significant potential organizational conflict of interest is identified, the contractor shall take actions to avoid, neutralize, or mitigate to the satisfaction of the contractor the organizational conflict. If the conflict cannot be avoided or neutralized, the contractor must obtain the approval of the DOE contracting officer prior to entering into any agreement with the consultant.

11. Clause H.20, **DISTRIBUTION OF AWARD FEE POOL**, is deleted in its entirety and replaced with the following. This is revised to delete the distribution of award fee on DPLH and distribute the fee equally each award fee period based on the contractor's best and final offer.

H.20 DISTRIBUTION OF AWARD FEE POOL

- a. Award Fee. For award fee determination purposes, the Contract shall be divided into six-month periods. The Award Fee Pool attributable to each six-month award fee period is shown below.

<u>Award Fee Period</u>	<u>Available Award Fee Pool</u>
10/1/96 - 3/31/97	\$ 869,347
4/1/97 - 9/30/97	869,347
10/1/97 - 3/31/98	651,113
4/1/98 - 9/30/98	651,113
10/1/98 - 3/31/99	610,769
4/1/99 - 6/30/99	305,385
Total Available Award Fee Pool	\$3,957,074

- b. The aggregate amount of all award fee pools shall be limited to the maximum award fee available as specified in Section B, Paragraphs B.02 and B.04, if options are exercised. Award fee denied during any period pursuant to the Contractor Performance Evaluation Plan shall not be available in subsequent periods.

12. Clause H.21, **PAYMENT OF BASE AND AWARD FEE**, paragraph a, is deleted in its entirety and replaced with the following. This is revised to delete the distribution of base fee on DPLH and equally distribute the base fee.

H.21 PAYMENT OF BASE AND AWARD FEE

- a. Base Fee. The Government shall make payment of the base fee in equal monthly increments based on the base fee proposed in the MACTEC-ERS Best and Final

III, Section J, Attachment H, Applicable DOE Orders. This list of applicable DOE Orders and Directives may be revised by modification to this contract by the Contracting Officer or his/her authorized representative.

- b. The Contracting Officer and his/her representatives expressly authorized in writing to do so are the only Government officials authorized to provide explanations as the applicability of DOE Orders and Directives. The Contracting Officer is the only Government official authorized to resolve possible conflicting requirements involving them.
- c. Upon receipt of a new or revised Order or Directive, the Contractor shall review it for consistency with the other terms of this contract and for impacts on funding, manpower and other provisions of the contract. If the Contractor considers the Order to be consistent with the other terms of this contract, and the implementation shall not have a negative impact on the cost, schedule, or other obligations of the Contractor, the Contractor shall establish an implementation schedule, and so advise the Contracting Officer within 30 calendar days of receipt.
- d. In the event the Contractor considers the Order or Directive to be inconsistent with the other terms of this contract or the requirements of the Order cannot be implemented within existing funding, manpower, and other provisions of the contract, the Contractor shall so advise the Contracting Officer within 30 calendar days of receipt. Such notice shall include the basis for the claimed inconsistency and the projected cost of implementation in excess of current funding, manpower, and other provisions of the contract. If the Contracting Officer determines compliance with the Order constitutes a change, the Contracting Officer shall issue direction to the Contractor, pursuant to the clause entitled "Changes" concerning appropriate implementation of the Order or Directive.
- e. The Contractor shall incorporate the substance of this clause with respect to applicable Orders and Directives, excluding any reference to the Changes clause, in subcontracts for performance of work at the site and as directed by the Contracting Officer.

17. Clause H.33, LIMITATION OF INDIRECT COSTS,

Clause H.34, COST REDUCTION PROPOSALS, paragraph b is revised to change the

ATTACHMENT D
TECHNICAL ASSISTANCE AND REMEDIATION CONTRACTOR
LISTING OF KEY/CRITICAL PERSONNEL

KEY PERSONNEL

NAME

General Manager

Self-Assessment Manager

Manager of Administration

Contract Administration Manager

Engineering Manager

CRITICAL PERSONNEL

Manager, Health and Safety

Lead Cost/Schedule Analyst

Environmental Services Coordinator

Groundwater Program Coordinator

Lead Field Assessment/Physical Scientist

Lead Design Engineer

Major Projects Manager

The purpose of this modification is to revise the contract to (1) change the contract number from DE-AC13-95GJ87335 to DE-AC13-96GJ87335; (2) establish the effective date of the contract as July 22, 1996. (3) establish a fixed fee for the period from July 22, 1996 through September 30, 1996; (4) revise the Direct Productive Labor Hours in the contract for the base period to account for the reduced effort during the transition period; (5) revise clause B.06, Administrative Cost Ceilings...; (6) change the period of performance for the transition period; and (7) make administrative changes to the contract.

1. All future correspondence relating this contract should reference the contract number as DE-AC13-96GJ87335. This change is required to show that the contract was awarded in FY 1996 rather than in FY 1995 as indicated by the previous contract number.
2. The effective date for this contract is July 22, 1996. This will be the date used for establishing the final completion of the contract as referenced in Clause F.02, Period of Performance.
3. Clause B.02, Estimated Cost, Base, and Award Fee is deleted in its entirety and replaced with the following. This clause is revised to establish the cost and fixed fee for the transition period and the period from September 5, 1996 through September 30, 1996.

B.02 ESTIMATED COST, BASE, FIXED AND AWARD FEE

- a. The estimated cost of this contract as contemplated by the Contract clause entitled "Limitation of Funds" exclusive of the base, fixed, and award fee is \$118,429,292.
- b. Transition Period Cost and Fixed Fee.
 - (1) The transition costs, exclusive of fixed, base, or award fee, is \$341,281. (This amount is included in item a. above.) The period of performance for the transition period is specified in Section F of this contract.
 - (2) The fixed fee for the transition period of this contract is \$9,739. The fixed fee shall be paid in installments based upon the percentage of completion of work as determined by the Contracting Officer.
- d. September 5, 1996 through September 30, 1996.
 - (1) The costs for the period from September 5, 1996 through September 30, 1996, exclusive of fixed, base, or award fee, is \$3,506,852. (This amount is included in item a. above.)

- (2) The fixed fee for the period from September 5, 1996 through September 30, 1996 is \$183,332. The fixed fee shall be paid in installments based upon the percentage of completion of work as determined by the Contracting Officer.
- e. The base fee for this contract is \$2,531,747. The base fee shall be payable in accordance with Special Clause Provision H.21 entitled "Payment of Base and Award Fee.
- f. The total amount of earned award fee for this contract is \$0.
- g. The total amount of unearned award fee for this contract is \$3,957,074.
- h. The total amount of this contract including estimated cost, base fee, fixed fee, earned award fee, and unearned award fee pool remaining on this contract is \$125,111,184.
- i. The total amount allotted to this contract is \$4,347,828. (incremental funding). It is estimated that this amount is sufficient to cover performance through September 30, 1996.
- j. The award fee for this contract shall be awarded upon the unilateral determination of the DOE's Fee Determination Official that an award fee has been earned. This determination shall be based upon the Fee Determination Official's evaluation of the Contractor's performance measured against the Evaluation Criteria set forth in the Performance Evaluation Plan. Award fee available for each period is as set forth in the Special Contract Provision H.20 entitled "Distribution of Award Fee Pool."
4. Clause B.04, OPTION TO EXTEND THE DURATION OF THE CONTRACT SERVICES, is revised to delete the base fee for the subcontractors from the estimated cost amount and include it in the base fee amount. The clause is revised as follows.

(1) FIRST OPTION PERIOD

Option Period of Performance:	12 months.
Estimated DPLH:	
Estimated Cost:	\$33,822,154
Base Fee:	766,618
Award Fee:	1,286,027
Total Estimated Cost Plus Base/Award Fee	\$35,874,799

(2) SECOND OPTION PERIOD

Option Period of Performance:	12 months
Estimated DPLH:	b4
Estimated Cost:	\$33,321,096
Base Fee:	760,044
Award Fee:	1,281,190
Total Estimated Cost Plus Base/Award Fee	\$35,362,330

5 Clause B.03, LEVEL OF EFFORT (LOE)/DIRECT PRODUCTIVE LABOR HOURS (DPLH), paragraph a is deleted in its entirety and replaced with the following.

- a. The Contractor shall provide an estimated total of 1,612,260 DPLH over a fixed three year period of performance beginning from the effective date of the contract. The DPLH are defined as actual hours exclusive of vacations, holidays, sick leave, and other absences. The DPLH are inclusive of clerical and administrative support, overtime, travel time during normal duty hours, subcontractors, consultants, and any and all DPLH expenditures.

6. Clause B.06, ADMINISTRATIVE COST CEILINGS FOR REMEDIAL ACTION SUBCONTRACTS, REIMBURSABLE TRAVEL, AND OTHER DIRECT COSTS is revised to indicate that no fee will be paid on travel and training in addition to the relocation costs. Also to revise the relocation costs to the show the correct amount.

B.06 ADMINISTRATIVE COST CEILINGS FOR REMEDIAL ACTION SUBCONTRACTS, REIMBURSABLE TRAVEL, AND OTHER DIRECT COSTS

With regard to the application of the clause entitled "Allowable Cost and Payment," it is understood that the Contractor shall be reimbursed for the reasonable, allowable, and allocable remedial action subcontracts, travel, training, equipment, relocation, and supplies/services costs incurred as established by audit determination consistent with the Federal Acquisition Regulation (FAR) Part 31.2 and DEAR 931.2 to the ceiling amounts of:

AWARD/CONTRACT

1. THIS CONTRACT IS RATED ORDER UNDER DPAS (15 CFR 350)

RATING

PAGE 1 OF PAGES

2. CONTRACT NO. (Proc. Inst. Ident.)

3-95GJ87335

3. EFFECTIVE DATE

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.

DE-AC13-96GJ87335.000

ISSUED BY

CODE

6. ADMINISTERED BY (If other than item 5)

CODE

U.S. Department of Energy
Albuquerque Operations Office
P.O. Box 5400
Albuquerque, NM 87185-5400

U.S. Department of Energy; Albuquerque Operations Office
GJ Source Evaluation Board ATTN: Cheryl A. Thompson
P.O. Box 5400 South Campus Mod I-6
Albuquerque, NM 87185-5400

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state, ZIP Code)

MACTEC Environmental Restoration Services LLC
1819 Denver West Drive, Suite 400
Golden, Colorado 80401

8. DELIVERY

FOB ORIGIN xOTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM See Section G

CODE

FACILITY CODE

11. SHIP TO/MARK FOR

CODE

NA

12. PAYMENT WILL BE MADE BY

CODE

U.S. Treasury after approval by DOE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:

10 U.S.C. 2304(c) () 41 U.S.C. 253(c) ()

14. ACCOUNTING AND APPROPRIATION DATA

B&R	APPROP. SYM.	ALLOT. SYM.	AMOUNT
EX205001	89X0224.911	AL6491	

15A. ITEM NO.

15E. SUPPLIES/SERVICES

15C. QUANTITY

15D. UNIT

15E. UNIT PRICE

AMOUNT

See Section B

15G. TOTAL AMOUNT OF CONTRACT E

16. TABLE OF CONTENTS

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
x	A	Solicitation/Contract Form		x	I	Contract Clauses	
x	B	Supplies or Services and Prices/Costs		PART III - LIST OF DOCUMENTS, EXHIBITS, ATTACHMENTS			
x	C	Description/Specs./Work Statement		x	J	List of Attachments	
x	D	Packaging and Marking		PART IV - REPRESENTATIONS AND INSTRUCTIONS			
x	E	Inspection and Acceptance			K	Reqs., Certs. Statements of Offerors	
x	F	Deliveries or Performance			L	Instrs., Conds., Notices to Offerors	
x	G	Contract Administration Data			M	Evaluation Factors for Award	
x	H	Special Contract Requirements					

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return ___ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number ___ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

NAME AND TITLE OF SIGNER (Type or print)

20A. NAME OF CONTRACTING OFFICER (Type or print)

BT

19C. DATE SIGNED
3/29/96

20B. UNITED STATES OF AMERICA
BY: *Cheryl A. Thompson*
(Signature of Contracting Officer)

20C. DATE SIGNED
6/14/96

PART I - SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B.01 SERVICES BEING ACQUIRED

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

Item 1 - Provide management, engineering, and scientific services to include all necessary environmental, safety, and health activities, to support the Department of Energy (DOE) programs in environmental restoration, geosciences, and energy assigned to the Grand Junction Projects Office, located in Grand Junction, Colorado, in accordance with Part III, Section J, Attachment A, Statement of Work (SOW).

Item 2 - Reports in accordance with "Reporting Requirements Checklist" DOE Form 1332.1 as provided in Part III, Section J, Attachment B, and the clause entitled "Uniform Reporting System."

B.02 ESTIMATED COST, BASE, AND AWARD FEE

to Miss only

- a. The estimated cost of this contract as contemplated by the Contract clause entitled "Limitation of Funds" exclusive of the base and award fee is \$ 186,230,483.
- b. The transition cost exclusive of the base and award fee is \$ 6,807,535 (Amount included in Item 1. total).
- c. The base fee for this contract is \$ 3,487,228. The base fee shall be payable in accordance with Special Contract Provision H.21 entitled "Payment of Base and Award Fee."
- d. The total amount of earned award fee for this contract is \$ -0-.
- e. The total amount of unearned award fee for this contract is \$ 6,630,603.
- f. The total amount of this contract including estimated cost, base fee, earned award fee, and unearned award fee pool remaining on the contract is \$ 196,348,313.
- g. The total amount allotted to this contract is \$ _____ (Incremental Funding). It is estimated that this amount is sufficient to cover performance through _____.
- h. The Award Fee for this contract shall be awarded upon the unilateral determination of the DOE's Fee Determination Official that an award fee has been earned. This determination shall be based upon the Fee Determination Official's evaluation of the Contractor's performance measured against the Evaluation Criteria set forth in the

(1) FIRST OPTION PERIOD

Option Period of Performance:	12 months
DPLH:	Estimated DPLH <u>565,440</u>
Estimated Cost:	\$ <u>33,958,257</u>
Base Fee:	\$ <u>630,515</u>
Award Fee:	\$ <u>1,286,027</u>
Total Estimated Cost Plus Base/Award Fee:	\$ <u>35,874,799</u>

(2) SECOND OPTION PERIOD

Option Period of Performance:	12 months
DPLH:	Estimated DPLH <u>565,440</u>
Estimated Cost:	\$ <u>33,462,225</u>
Base Fee:	\$ <u>618,915</u>
Award Fee:	\$ <u>1,281,190</u>
Total Estimated Cost Plus Base/Award Fee:	\$ <u>35,362,330</u>

B.05 DOWNWARD ADJUSTMENTS TO BASE AND AWARD FEE POOL

The Government shall accept the final product without a downward adjustment in the base/award fee pool if the LOE provided is within 90-100 percent of the estimated DPLH for a base period of 36 months from the effective date of the contract. If the actual LOE is less than 90 percent of the estimated DPLH, an equitable downward adjustment to the base and award fee pool will be negotiated between the Government and the Contractor.

The Government shall accept the final product without a downward adjustment in the base/award fee pool if the LOE provided is within 94-100 percent of the estimated DPLH for any additional one-year option periods. If the actual LOE is less than 94 percent of the estimated DPLH, an equitable downward adjustment to the base and award fee pool will be negotiated between the Government and the Contractor.

B.06 ADMINISTRATIVE COST CEILINGS FOR REMEDIAL ACTION SUBCONTRACTS, REIMBURSABLE TRAVEL, AND OTHER DIRECT COSTS

With regard to the application of the clause entitled "Allowable Cost and Payment", it is understood that the Contractor shall be reimbursed for the reasonable, allowable, and allocable remedial action subcontracts, travel, training, equipment, relocation, and supplies/services costs incurred as established by audit determination consistent with Federal Acquisition Regulation (FAR) Part 31.2 and DEAR 931.2 to the ceiling amounts of:

PERIOD	REMEDIAL ACTION SUBCONTRACT*	TRAVEL*	TRAINING*	EQUIPMENT*	RELOCATION*	SUPPLIES/SERVICES*
Total Base Period (3 years)						
Option 1 (1 year)						
Option 2 (1 year)						

Note: Dollars in thousands (\$000)

It is further understood that there shall be no fee paid on any relocation costs. In addition, the cost ceilings outlined above for travel and training are administrative limits imposed upon this contract by the DOE. Both Award and Base Fee will be paid on travel and training up to the administrative limits outlined above. If the contractor exceeds the administrative limits, no fee shall be paid on any travel or training in excess of these limits. The estimated costs for remedial action subcontracts, travel, training, equipment, relocation, and supplies/services may be increased or decreased unilaterally by the Contracting Officer any time prior to the completion of this contract. Any such change shall be made only to the extent that any change in the estimated costs is consistent with the technical requirements or is necessary to allow the Contractor to devote its efforts in furnishing the level-of-effort required by this contract. Should such a change be necessary, there shall be no adjustment to the fee (except for the remedial action subcontracts, equipment, and supplies/services which may increase the fee if considered to be additional work).

* All amounts shown above are excluding any applied indirect cost and fee

B.07 ALLOWABLE TRANSITION COSTS PRIOR TO JULY 1, 1996

A Not-to-Exceed cost of \$ N/A is approved for transition costs incurred as of the date of award but prior to the effective date of this contract.

3.3 LIMITATION OF INDIRECT COSTS

- a. Notwithstanding any other clause(s) of this contract, the Government shall not reimburse the Contractor for any indirect costs in excess of the indirect expense dollars derived for each of the Contractor's fiscal years by the application of the following individual indirect cost ceiling rates to the appropriate base outlined below. All indirect costs in excess of said amount(s) shall be borne by the Contractor.

<u>Indirect Cost</u>	<u>Indirect Cost Ceiling Rate(s) per Contractor's Fiscal Year (*)</u>					
	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Overhead Information <u> N/A </u>	-0-	-0-	-0-	-0-	-0-	
G&A Information <u>Total Cost Input</u>						
Fringe Benefit (if applicable) <u>Total Labor Dollars*</u>						

*Accepted contingent upon equitable adjustment should medical insurance costs rise at a rate greater than labor escalation.

- b. The indirect cost limitation set forth above include provisions for all known increases that shall take place during the term of this contract resulting from statute, court decisions, and/or written ruling or regulation by the Internal Revenue Service or any other taxing authority. However, in the event that during the term of this contract any other statute, court decision, and/or written ruling or regulation affects the Contractor's indirect costs, the indirect cost limitations shall be adjusted to the extent the Contracting Officer determines the increase or decrease, if any, said statute, court decision, and/or ruling or regulation impacts the Contractor's indirect costs.
- c. Should the DPLH total less than 80% of the estimated DPLH during the previous year, the Contractor may request a renegotiation of the ceiling rate.

H.34 COST REDUCTION PROPOSALS

- a. General

It is the Department of Energy's intent to have its facilities and laboratories operated in the most efficient and effective manner possible. To this end the Contractor shall, in the performance of this contract, assess its operations and identify areas where cost reduction would bring cost efficiency to operations without adversely affecting the level of performance required by the contract.

The Contractor, to the maximum extent possible, shall identify areas where cost reduction may be effected and develop and submit Cost Reduction Proposals (CRPs) addressing such to the Contracting Officer for review. If accepted, the Contractor

**APPENDIX A
GRAND JUNCTION PROJECTS OFFICE
FEE SCHEDULE**

<u>PERFORMANCE POINTS</u>		<u>PERCENT OF AWARD FEE</u>
100	OUTSTANDING	
99		
98		
97		
96		

95	GOOD	
94		
93		
92		
91		
90		
89		
88		
87		
86		
85	SATISFACTORY	
84		
83		
82		
81		
80		Base Fee Only
79		Base Fee Only
78		Base Fee Only
77		Base Fee Only
76		Base Fee Only

75	MARGINAL	Base Fee Only
74		Base Fee Only
73		Base Fee Only
72		Base Fee Only
71		Base Fee Only
70		Base Fee Only
69		Base Fee Only
68		Base Fee Only
67	Base Fee Only	
66	Base Fee Only	

65 or Below	UNSATISFACTORY	Base Fee Only