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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
(REPLACED 0015)**

Services being Acquired under this Contract Line Item Number (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 effectively, efficiently, and safely transition from the existing contracts to the new contract to operate the Y-12 National Security Complex (Y-12) and the Pantex Plant (PX), (hereinafter referred to as “the Sites”).

The initial transition period of four months for the Y-12/PX Contract consolidation will be on a cost reimbursement basis and the estimated cost is \$22,600,000. There will be no fee earned or paid during transition, however, cost savings initiatives may begin in accordance with B-2(a)(3).”

CLIN 0001B BASE TERM (1 JUL 2014 – 30 JUN 2019) (REPLACED 0015, 0052, 0055)

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 effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H and CLIN 0002. The fee available is:

Performance Period	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Total Fee Earned	Estimated Cost Savings Incentive	CSIF Earned
1 Jul 2014 – 30 Sep 2015	\$29,949,750	\$19,966,500	\$49,916,250	\$41,381,377	\$21,439,000	
1 Oct 2015 – 30 Sep 2016	NA	\$39,933,000	\$39,933,000		\$42,104,000	
1 Oct 2016 – 30 Sep 2017	NA	\$39,933,000	\$39,933,000		\$46,831,000	
1 Oct 2017 – 30 Sep 2018	NA	\$39,933,000	\$39,933,000		\$42,476,000	
1 Oct 2018 – 30 Jun 2019	NA	\$29,949,750	\$29,949,750		\$26,962,000	

[*Performance Period 1 Jul 2014 – 30 Sep 2015 is a 15 month period of performance and Performance Period 1 Oct 2018 – 30 Jun 2019 will be a 9 month period of performance to align with the fiscal year.]”

CLIN 0001C OPTION I TERM (1 JUL 2019 – 30 JUN 2021) (REPLACED 0015)

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 effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H and CLIN 0002. The fee available is:

Performance Period	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Total Fee Earned	Estimated CSIF	CSIF Earned
1 Jul 2019 – 30 Jun 2020	NA	\$39,933,000	\$39,933,000		\$17,864,000	
1 Jul 2020 – 30 Jun 2021	NA	\$39,933,000	\$39,933,000		\$14,663,000	

CLIN 0001D OPTION II TERM (1 JUL 2021 – 30 JUN 2023) (REPLACED 0015)

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 effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H and CLIN 0002. The fee available is:

Performance Period	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Total Fee Earned	Estimated CSIF	CSIF Earned
1 Jul 2021 – 30 Jun 2022	NA	\$39,933,000	\$39,933,000		\$14,419,000	
1 Jul 2022 – 30 Jun 2023	NA	\$39,933,000	\$39,933,000		\$14,129,000	

CLIN 0001E OPTION III TERM (1 JUL 2023 – 30 JUN 2024) (REPLACED 0015)

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 effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H and CLIN 0002. The fee available is:

Performance Period	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF + PIF)	Total Fee Earned	Estimated CSIF	CSIF Earned
1 Jul 2023 – 30 Jun 2024	NA	\$39,933,000	\$39,933,000		\$21,933,000	

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 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 fee earned or paid for SRTO transition activities.

[**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: 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 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 fee available amounts to add SRTO effort to CLIN 0001B, 0001C, 0001D, and 0001E.

CLIN 0001H WORK FOR OTHERS/OTHER REIMBURSABLE WORK (REPLACED 0015, 0052)

Services being Acquired under this CLIN: The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Work for Others/Other Reimbursable Work, 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 effectively, efficiently, and safely perform all Work For Others and Other Reimbursable Work efforts as directed by the Contracting Officer.

Performance Period	Estimated Cost	Available Fixed Fee	Estimated Cost + Available Fixed Fee	Actual Fee Earned
1 Jul 2014 – 30 Sep 2015	\$46,419,966	\$1,235,000	\$1,235,000	\$1,235,000
1 Oct 2015 – 30 Sep 2016				
1 Oct 2016 – 30 Sep 2017				
1 Oct 2017 – 30 Sep 2018				
1 Oct 2018 – 30 Jun 2019				

OPTION I	*****	*****	*****	*****
1 Jul 2019 - 30 Jun 2020				
1 Jul 2020 - 30 Jun 2021				
OPTION II	*****	*****	*****	*****
1 Jul 2021 - 30 Jun 2022				
1 Jul 2022 - 30 Jun 2023				
OPTION III	*****	*****	*****	*****
1 Jul 2023 - 30 Jun 2024				

[Table to be completed by the Government in accordance with Section B, B-2(a)(4).]

**CLIN 0002 URANIUM PROCESSING FACILITY (UPF) PROJECT MANAGEMENT
(REPLACED 0015)**

Services being Acquired under this CLIN: The Contractor shall, in accordance with Section J, Appendix A, Chapter IV, 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 effectively, efficiently, and safely ensure the completion of UPF. The cost and fee associated with awarding this CLIN shall be accounted for and reported separately and be completely severable from all other parts of this contract.

The Maximum Available UPF Fee (MAUF) (inclusive of Sub-CLINs) for the project management of UPF is:

Column A	Column B	Column C	Column D	Column E
Performance Period	UPF Approved Cost Baseline	Percentage Multiplier of Notional Cost for Maximum Available UPF Fee (MAUF)	Calculated Dollar Value (\$) for MAUF	Total Earned Fee
1 Jul 2014 - 30 Jun 2015*	TBD	5.0%	TBD	TBD
1 Jul 2015 – 30 Jun 2016	TBD	5.0%	TBD	TBD
1 Jul 2016 – 30 Jun 2017	TBD	5.0%	TBD	TBD
1 Jul 2017 – 30 Jun 2018	TBD	5.0%	TBD	TBD
1 Jul 2018 – 30 Jun 2019	TBD	5.0%	TBD	TBD
1 July 2019 – 30 Jun 2020	TBD	5.0%	TBD	TBD

1 July 2020 – 30 Jun 2021	TBD	5.0%	TBD	TBD
1 July 2021 – 30 Jun 2022	TBD	5.0%	TBD	TBD
1 July 2022 – 30 Jun 2023	TBD	5.0%	TBD	TBD
1 July 2023 – 30 Jun 2024	TBD	5.0%	TBD	TBD

[*Columns B and D-E will be completed by the Government when the Contractor’s Cost Model and UPF project baseline is approved. The Contractor’s Cost Model and UPF project baseline shall be submitted for NNSA approval no later than December 1, 2014, and will be updated annually or as required. Accordingly, the percentage proposed by the Contractor (inserted into Column C) will be applied to the UPF approved cost baseline.]

The UPF Fee Plan in Section J, Appendix B-2 shall be utilized for the purposes of establishing the Total Earned Fee (Column E).”

SUB-CLIN 0002A PROJECT ENGINEERING AND DESIGN (PED) (ADDED 0015)

- (a) This SUB-CLIN 0002A for Project Engineering and Design (PED) of the UPF utilizes a cost-reimbursement type Contract with terms for a MAUF, whereby the Contractor can earn MAUF based on the approved UPF Fee Plan included in Section J, Appendix B-2.
- (b) The values* shown below represent the PED values as of July 1, 2014 through June 30, 2015:

Not-to-Exceed Cost: \$200,513,000

Available MAUF: TBD

*Estimated values until the Contractor’s Cost Model and UPF project baseline is approved.”

SUB-CLIN 0002B CONSTRUCTION MANAGEMENT (CM) AND CONSTRUCTION (ADDED 0015)

- (a) This SUB-CLIN 0002B for Construction Management and Construction of the UPF utilizes a cost-reimbursement type Contract with terms for a MAUF, whereby the Contractor can earn MAUF based on the approved UPF Fee Plan included in Section J, Appendix B-2.
- (b) The values* shown below represent the Construction Management values as of July 1, 2014 through June 30, 2015

Not-to-Exceed Cost: \$19,876,979

Available MAUF: TBD

*Estimated values until the Contractor’s Cost Model and UPF project baseline is approved.”

B-1 CONTRACT TYPE AND VALUE

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 for CLIN 0001 and a Maximum Available Uranium Processing Facility Fee for CLIN 0002.

The total estimated cost, excluding fee and Work for Others/Other Reimbursable Work related to NNSA work:

Year	Total Estimated Cost
1	\$1,775,166,000
2	
3	
4	
5	
OPTION I	
6	
7	
OPTION II	
8	
9	
OPTION III	
10	

[Table to be completed by the Government during the term of the Contract.]

B-2 CONTRACT FEE STRUCTURES (MODIFIED 0015)

(a) Fee Structure for CLIN 0001

(1) Definitions.

Total Available Fee = Fixed Fee + Performance 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 tables for CLIN 0001B, 0001C, 0001D, and 0001E, including 0001G, if exercised. The Total Available Fee shall not exceed 3.5% of the FY 2011 budget (\$1.33B for both Pantex Plant and Y-12, and \$1.50B should SRTO option be exercised).

(i) Fixed Fee

The Contractor will be paid a Fixed Fee (except as identified in Section B, B-2(a)(4), Work for Others/Other Reimbursable Work Fixed Fee) during the first year of the Base Term in the CLIN 0001B table. No Fixed Fee will be paid for the remaining years of the Contract.

(ii) Performance Incentive Fee

The Contractor will be paid a Performance Incentive Fee for accomplishments under the Performance Evaluation Plan (PEP). The Available Performance Incentive Fee is reflected in the above table for CLINs 0001B, 0001C, 0001D, and 0001E, including 0001G, if exercised.

(3) Cost Savings Incentive Fee

The Contractor will be paid a Cost Savings Incentive Fee under the approved Cost Reduction Proposal (CRP) submitted in accordance with the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction". In the event savings are not sustained during the remainder of the Contract's period of performance the Government is entitled to reimbursement of previously paid CSIF and will obtain it out of future fee. 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.

Transition Term: The Contractor may begin cost savings initiatives before the CRP is approved and may be eligible for cost savings incentive fee if the terms of the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction" can be met. Cost savings initiatives before the CRP is approved could include changes in the full-time equivalent (FTE) baseline during the Transition Term, provided there is a corresponding reduction in costs. Savings will be paid in accordance with the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction".

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

The estimated cost and the available Fixed Fee for Work for Others/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 year of the Contract and will be incorporated into the CLIN 0001H table through a modification to this Contract. The Fixed-Fee for Work for Others/Other Reimbursable Work will be up to 3% 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 Work for Others/Other 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 the amount of estimated cost to change for Work for Others/Other Reimbursable Work due to new or deleted reimbursable work projects, an adjustment to the estimated cost and Work for Others/Other Reimbursable Work Fixed Fee for reimbursable work shall be submitted for approval by the Contracting Officer. Work for Others Fixed Fee is not a component of Total Available Fee under CLINS 0001B, 0001C, 0001D, 0001E and 0001G, if exercised.

(5) 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 published prime rate of the financial institution (depository) in which the special account is established or 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) whichever is higher, which is applicable to the period in which any unearned payments were made. Interest paid resulting from this clause is an unallowable cost.
 - (E) The Contractor shall remit any balance due payable to the Government in accordance with directions to be provided by the Contracting Officer.
- (iii) The Contractor may request approval from the Contracting Officer for semi-annual provisional payment of the Cost Savings Incentive Fee. If the provisional payment results in overpayment, 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 published prime rate of the financial institution (depository) in which the special account is established or at 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) whichever is higher, which is applicable to the period in which any unearned payments were made. Interest paid resulting from this clause is an unallowable cost.

(6) 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.

- (7) 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 the FY11 budgeted cost for performance of the work under this Contract and the actual cost of performance of that work.

(b) Fee Structure for CLIN 0002 (Replaced 0015)

(1) Definitions

Total Earned Fee = Amount of Award Fee Earned for that period

MAUF = Maximum Available UPF Fee

MAUF % = Contractor's Proposed Percentage Multiplier for MAUF

Reward/Penalty Fee Structure: A "Reward/Penalty" fee structure for CLIN 0002 will be established in the UPF Fee Plan.

- (2) The fee structure for UPF will be separate and severable from the other fee in this contract and is described in this section. The Total Earned Fee amounts will be incorporated into the Table in CLIN 0002 above. Notwithstanding the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes," the Maximum Available Uranium Processing Facility Fee (MAUF) percentage in Column C of the table in CLIN 0002 is not subject to adjustment.

(i) Maximum Available UPF Fee

The Contractor will be paid a Maximum Available UPF Fee for CLIN 0002 accomplishments under the UPF Fee Plan. The Maximum Available UPF Fee is reflected in the above table for CLIN 0002, Column D.

(3) Provisional Payment of Fee

- (i) Provisional payment of Available Fee CLIN 0002 table above will be approved by the Contracting Officer "quarterly*" in accordance with Section B, B-8, UPF Fee Plan and the approved UPF Fee Plan included in Section J, Appendix B-2. [*No fee will be earned until the Cost Model and UPF Baseline are approved.]
- (ii) The balance of MAUF will be available, if any, upon issuance of the Contracting Officer's notification in accordance with Section B, B-8, UPF Fee Plan.

- (A) If the provisional payments made above exceed the Total Earned Fee in CLIN 0002, or the Contractor fails to fully accomplish the factor/criteria/milestone for which it has received 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 published prime rate of the financial institution (depository) in which the special account is established or 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) whichever is higher, which is applicable to the period in which any unearned payments were made. Interest paid resulting from this clause is an unallowable cost.
- (B) The Contractor shall remit any balance due payable to the Government in accordance with directions to be provided by the Contracting Officer.
- (4) The MAUF is 100% at risk. NNSA will determine how unearned fee will be available for future performance periods, after a reward/penalty structure is established.”

B-3 SINGLE FEE (MODIFIED 0015)

- (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 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 MAUF defined at Section B, B-2, Contract Fee Structure. 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.” (Replaced 0015)
- (c) The subcontractor fee restriction in the paragraphs above does not apply to members of the Contractor team that are not wholly owned, majority owned, or affiliate of any team member, but are small business(es) or protégé firm(s) as part of an approved mentor-protégé relationship as described in DEAR 952.219-70, DOE Mentor-Protégé Program.

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, bonuses and relocation costs in fee for that position for each occurrence.

B-5 OBLIGATION OF FUNDS (REPLACED 0063)

The Department of Energy hereby revises Clause B-5, OBLIGATION OF FUNDS, as follows:

	Transition Term	Base Term		
		M&O CLIN 0001B	WFO CLIN 0001H	UPF CLIN 0002
Funds Obligated in Contract through Modification No. 0062	\$19,694,142.18	\$3,810,608,513.02	\$55,219,291.79	\$913,646,459.01
Funds obligated by this Modification No. 0063 (CLIN0001H):	\$0	\$0	\$809,087.33	\$0
Total Funds Obligated through Modification No. 0063:	\$19,694,142.18	\$3,810,608,513.02	\$56,028,379.12	\$913,646,459.01
Total Funds Obligated to the Contract Since Inception of Contract:	\$4,799,977,493.33			

**Detail of WFO Funds Obligated by this Modification	Total WFO Obligation
Reimbursable - Fed	-\$266,952.94
Reimbursable -Non-Fed	\$1,076,040.27
Tech Transfer	0.00
Total WFO Funds	\$809,087.33

The expenditure of appropriated funds shall be subject to the availability of funds appropriated by the Congress, which the DOE/NNSA may legally spend for such purposes.”

B-6 AVAILABILITY OF APPROPRIATED FUNDS

Except as may be specifically provided to the contrary to the Contract’s Section I Clauses entitled “FAR 52.250-1, Indemnification Under Public Law 85-804, Alternate I” and “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) (REPLACED 0015)

- (a) Performance Evaluation Plan. A PEP developed by NNSA for this Contract, with Contractor input, shall document the process by which the Contractor's performance will be evaluated, except for the work covered by CLIN 0002, which will have a separate plan as outlined in Section B, B-8, UPF Fee Plan. The Parties will strive to reach mutual agreement on expected business, operational and technical performance and will work together to establish the performance evaluation plan. In the event the parties cannot come to agreement on the PEP, the NNSA Production Office (NPO) Manager reserves the unilateral right to make the final decision, including changes thereto, on all performance objectives, goals, and measures and the methodology 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 at Section J, Appendix B-1, Performance Evaluation Plan by a formal contract modification executed by the Contracting Officer. The NPO Manager and Contracting Officer may revise the PEP, consistent with Section J, Appendix A, Statement of Work (SOW), during the appraisal period of performance. The Contracting Officer will incorporate any revisions to the PEP through a contract modification. 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 for consideration by the Government in developing an annual Performance Evaluation Report (PER).
- (c) Determination of Performance Incentive Fee
- (1) NNSA will evaluate the Contractor's performance against the PEP.
 - (2) The fee determination will be made in accordance with the PEP and supported by the PER. The determination as to the amount of fee earned is a unilateral determination made by the Fee Determination Official (FDO).
 - (3) The NNSA will promptly advise the Contractor in writing of the amount and the basis of the fee determination.
 - (4) Fee not earned (unearned fee) during the evaluation period will not be made available in future evaluation periods.
 - (5) In the event that the Contractor's performance is considered to be less than the level of performance set forth in the Statement of Work, as amended to include the current Work Authorization Directive or similar document, for any contract requirements it will be considered by the FDO, or his designee, who may adjust the fee determination to reflect such performance. Any such adjustment shall be in accordance with the

clause, entitled "Conditional Payment of Fee, Profit, and other Incentives- Facility Management Contract."

- (d) Schedule. The NPO Manager will issue the FDO's final total Performance Incentive Fee amount earned determination in accordance with this Contract. A determination will 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 will 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 will 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, less any provisional payments, 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."

B-8 UPF FEE PLAN (ADDED 0015)

- (a) UPF Fee Plan. A UPF Fee Plan developed by the NNSA UPF Project Office for this Contract, with Contractor input, shall document the process by which the Contractor's performance will be evaluated for CLIN 0002. The Parties will strive to reach mutual agreement on expected cost, schedule, quality (technical performance), and management factors and criterion, as well as milestones and deliverables. The Parties will work together to establish the fee plan prior to January 1, 2015. In the event the Parties cannot come to agreement on the fee plan, the UPF Federal Project Director reserves the unilateral right to make the final decision, including changes thereto, on all performance goals and the methodology used to evaluate the Contractor's performance for CLIN 0002.

The UPF Fee Plan shall be approved, whether bilaterally or unilaterally, and incorporated into this Contract at Section J, Appendix B-2, UPF Fee Plan by a formal contract modification executed by the Contracting Officer. The UPF Federal Project Director and Contracting Officer may revise the fee plan, consistent with Section J, Appendix A, Statement of Work (SOW), during the evaluation period through a bilateral contract modification. No changes will be made to the fee plan with less than 60 days remaining in the evaluation period.

- (b) Contractor's Self-Assessment Report. A periodic self-assessment will be prepared by the Contractor for consideration by the Government in developing an interim Quarterly Evaluation Report (QER), optional, and annual Performance Evaluation Report (PER) upon issuance of the Contracting Officer's notification in accordance with Section J, Appendix B-2, UPF Fee Plan.
- (c) Determination of Total Earned Fee
- (1) NNSA will evaluate the Contractor's performance against the UPF Fee Plan.
 - (2) The fee determination will be made in accordance with the UPF Fee Plan and supported by the PER. The determination as to the amount of fee earned is a unilateral determination made by the Fee Determining Official (FDO).
 - (3) NNSA will promptly advise the Contractor in writing of the amount and the basis of the fee determination.
 - (4) In the event that the Contractor's performance is considered to be less than the level of performance set forth in the Statement of Work, as amended to include the current Work Authorization Directive or similar document, for any contract requirements it will be considered by the FDO, or his designee, who may adjust the fee determination to reflect such performance. Any such adjustment shall be in accordance with the clause, entitled "Conditional Payment of Fee, Profit, and other Incentives- Facility Management Contract."
- (d) Schedule. The Contracting Officer will issue the FDO's fee determination letter for the assessed evaluation period, specifying the amount of fee determined and the basis for that determination, in accordance with this Contract. A determination will be made by the FDO within 60 calendar days after the receipt of the Contractor's self-assessment or 70 calendar days after the end of the evaluation period, whichever is later. Within 10 calendar days of the FDO's final fee determination, the Contracting Officer will issue a modification to the contract authorizing the payment of such fee. If the UPF Fee Plan evaluates the Contractor's performance on the completion of specific requirements or milestones, the payment of any earned fee amount will be made within 70 calendar days, or as mutually agreed by both Parties after such completion.

If the determination is delayed beyond these dates, the Contractor shall be entitled to interest on the determined Total Earned Fee amount, less any provisional payments, 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 Earned Fee amount 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 Total Earned Fee amount 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 (REPLACED 0015, 0039, 0045)

The effective date of the Contract is the award date identified in Section A.

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

Transition Term – the effective date of the Contract through January 18, 2013 and March 3, 2014 through June 30, 2014;

Base Term – July 1, 2014 through June 30, 2019; and, if exercised;

Option Term 1 – July 1, 2019 through June 30, 2021; and, if exercised;

Option Term 2 – July 1, 2021 through June 30, 2023; and, if exercised;

Option Term 3 – July 1, 2023 through June 30, 2024.

(b) The period of performance of this Contract will expire June 30, 2019, 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 the Transition Term and Options, if exercised, shall not exceed ten (10) years, nineteen weeks.

(c) The Transition Term shall be for the transition activities identified in Section J, Appendix C, 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 Savannah River Site Tritium Operations 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

Gateway Decision: The Gateway Decision is a unilateral decision of the FDO based on the Contractor's performance rating under this Contract in accordance with the Performance Evaluation Plan, and the Contractor's delivery of cost savings reflected in the cost savings profile in Section J, Appendix D, Merger Transformation Plan. The standard of performance is such that the score in the annual PER must be "very good" or above (or achieve 80% or better) under the Performance Evaluation Plan for the performance years evaluated under the Base Term and Option Terms, if exercised, evaluated below. The Contractor must also meet a minimum of 80% of the total projected cost savings within the cost savings profile in Section J, Appendix D, Merger Transformation Plan for the combined performance years evaluated for each gateway decision point, as reflected in the table below. If the FDO's decision is to award additional term, the Contract will be modified unilaterally by the Contracting Officer to extend the term of the Contract, after considering NNSA requirements, in accordance with the Contract's Section I Clause entitled "FAR 52.217-9, Option to Extend the Term of the Contract".

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

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 standard of performance (score) and cost savings noted 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 standard of performance (score) and cost savings noted above.

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

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

*Years are counted from the beginning of the Base Term.

(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, but not limited to, the Performance Guarantee(s) and Subcontracting Plan, at the time of option exercise. NNSA may exercise the SRTO option at the end of the first year; however the determination will be based on NNSA mission requirements and other factors.

F-6 DELIVERABLES

The primary deliverables under this Contract are described in the Statement of Work, Section J, Appendix A. To ensure that effective and efficient management systems exist for the management and operation of the sites, this Contract also requires the delivery of 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

Alternate due dates for transition deliverables may be suggested after the effective date of the Contract, provided they do not conflict with FAR or DEAR clauses. The Contracting Officer may approve changes in deliverable dates that make transition more effective and efficient for both parties.

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 upon 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, 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, 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 upon 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 shall 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 that separately identifies the proposed travel, services, and other direct costs items related to relocation of Key Personnel and any managers who directly report to them.
- (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 120 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, reasonable 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 the first year of the Base Term for CLIN 0001 and CLIN 0002 upon the effective date of the Contract. The Key Personnel compensation costs will be subject to approval by the Contracting Officer during the Transition Term. For the first year of the Base Term, for Key Personnel, the Contracting Officer will approve one time salary requests. The Contractor shall provide supporting justification related to internal and external equity for each compensation request. The top contractor official's reimbursed base salary will serve as the maximum allowable salary reimbursement level. No reimbursement above the limits specified will be allowed under the Contract for the first year of the Base Term.
 - (2) The Contractor shall separately identify and provide a total summary of the annual compensation costs of the Contractor's proposed Key Personnel for the first year of the Base Term. 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 reimbursed by the Government 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 (MTP). 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 effective date of the Contract. The Contractor may request modifications to the MTP during the Contract term and these changes will be reviewed and approved by the Contracting Officer. The Contractor's 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 MTP shall also include Performance Fee Incentives, with associated objectives, measures, and targets to be considered for inclusion in the Contract's

Performance Evaluation Plan (PEP), which may be multi-year, and be used as consideration for additional Contract term. The MTP will contain information that will be utilized for development of the CRP as described in the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction".

- (f) Conflict of Interest Compliance Plan. The Contractor shall submit a Conflict of Interest (COI) Compliance Plan to the Contracting Officer for approval within 60 days after the effective date of this Contract including UPF. The COI Compliance Plan shall address the Contractor's approach for adhering to the Contract's Section I Clauses entitled "DEAR 952.209-72, Organizational Conflicts of Interest Alternate I" and "DEAR 970.5227-3, Technology Transfer Mission Alternate II" and describe its procedures for aggressively self-identifying and resolving both organizational and employee conflicts of interest. The COI Compliance Plan will also serve as the minimum standards for the conflicts of interest portion of the Contractor's "written code of business ethics and conduct" which is required by this Contract's Section I Clause entitled "FAR 52.203-13, Contractor Code of Business Ethics and Conduct." 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 Management Plan. Section J, Appendix A, Statement of Work, Chapter IV, requires that the Contractor provide an updated "Project Management Plan" for Contracting Officer's approval within 90 calendar days after start of transition. The Acquisition Executive will maintain baseline control as prescribed in DOE O 413.3B. The UPF Project Management Plan shall be consistent with the Project Management Approach that was submitted with the Contractor's proposal.

SECTION G

CONTRACT ADMINISTRATION DATA

G-1 GOVERNMENT CONTACTS & CORRESPONDENCE PROCEDURES (REPLACED 0015, 0045)

(a)

- (1) The NNSA Production Office (NPO) Manager for this Contract is the Contractor's primary point of contact for all technical and administrative matters, except as identified in Section G, G-3, DOE/NNSA Patent Counsel, regarding performance of this Contract under CLIN 0001. The NPO Administrative Contracting Officer (ACO) is the Contractor's primary point of contact for all contractual matters related to CLIN 0001. The NPO Manager and NPO ACO can be reached at:

NNSA Production Office
Attn: NPO Manager
P.O. Box 2050
Oak Ridge, TN 37831-8009
Or
P.O. Box 30030
Amarillo, TX 79120

NNSA Production Office
Attn: NPO ACO
P.O. Box 2050
Oak Ridge, TN 37831-8009
OR
P.O. Box 30030
Amarillo, TX 79120

- (2) The Uranium Processing Facility (UPF) Project Office (UPO) Federal Project Director (FPD) for this Contract is the Contractor's primary point of contact for all technical and administrative matters, except as identified in Section G, G-3, DOE/NNSA Patent Counsel, regarding performance of this Contract under CLIN 0002. The UPO ACO is the Contractor's primary point of contact for all contractual matters related to CLIN 0002. The UPO FPD and ACO can be reached at:

UPF Project Office
Attn: UPO Federal Project Director
P.O. Box 2050
90 Union Valley Road, MS: 8042
Oak Ridge, TN 37831-8009

UPF Project Office
Attn: UPO ACO
P.O. Box 2050
90 Union Valley Road, MS: 8042
Oak Ridge, TN 37831-8009

(b) 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 ACO. CORs are listed in Section J, Appendix R.

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

The COR's official delegation of authority will be provided to the Contractor in writing. The 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, before proceeding with the COR Direction. 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.

(d) Contractual Correspondence/Matters

Correspondence involving contractual matters such as *changes to contract terms and conditions (not including clause updates), funding, and cost savings shall be addressed to the Procuring Contracting Officer Christopher M. Duran*. This individual shall be primarily responsible for 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.

All correspondence involving the administration and execution of the existing terms and conditions, to include clause updates of the contract are to be addressed by the site Administrative Contracting Officers (ACO).

(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 DE-NA0001942, (insert subject topic after Contract Number, e.g., "Request for subcontract placement approval").

(f) Distribution

A copy of correspondence addressed to the Contracting Officer or ACO shall be provided to the NPO Manager or the UPO Federal Project Director, as appropriate.”

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)
Personal Property Albuquerque
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.

Name: John Howanitz
Position: Vice President, Bechtel National, Inc.
Company: Bechtel National, Inc.
Address: 12011 Sunset Hills Road, Reston, VA 20190
Phone: (301) 401-1775
E-mail: jhowanit@bechtel.com

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 Consolidated Nuclear Security, LLC (CNS). This entity is comprised of: Bechtel National Inc., Lockheed Martin Services, Inc., ATK Launch Systems Inc., and SOC LLC.

- (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: John Howanitz

Position: Vice President, Bechtel National, Inc.

Company: Bechtel National, Inc.

Address: 12011 Sunset Hills Road, Reston, VA 20190

Phone: (301) 401-1775

E-mail: jhowanit@bechtel.com

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 Nuclear Production Sites," substantially as written here, in all such Contracts as follows:

OTHER GOVERNMENT CONTRACTORS PERFORMING WORK AT THE NUCLEAR PRODUCTION SITES

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 (JUN 2011)

- (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 FOCI electronic submission system located at <https://foci.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) Electronic signatures are accepted; all FOCI documentation requiring signatures, dates, and company stamps, must be printed, completed, and uploaded into the Miscellaneous Tab within the eFOCI system. Hard copies are no longer required.

H-4 CONTINUITY DURING TRANSITION

Unless otherwise stated in this Contract, management systems, plans, permits, procedures, and other agreements that exist on the effective date of the Contract will continue until the Contractor addresses the applicable requirements contained in this Contract. For changes that

require NNSA approval, the Contractor will not implement a change until it is formally approved by the Contracting Officer.

H-5 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 shall submit annual subcontracting goals 60 days prior to the beginning of each fiscal year during the term of this Contract, or by such other date as authorized in writing by the Contracting Officer. Small business subcontracting goals for the consolidated contract should reflect a positive impact on local geographic areas affected by the consolidation. Except for the initial plan submitted with the proposal, this plan and accomplishments will be submitted through the eSRS System.

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-6 PARENT OVERSIGHT PLAN

- (a) If a Parent Oversight Plan is requested by the Contracting Officer pursuant to Section J, Appendix A, Chapter I, 4.4.3, the Parent Oversight Plan will be attached and made part of the Contract at Section J. Elements of the Plan may be incorporated into the Performance Evaluation Plan. The Parent Oversight Plan shall identify the official(s) responsible for administration of the plan.
- (b) The Contractor shall provide periodic reports of Parent Oversight activities and costs incurred as required by the Contracting Officer. Costs associated with Plan shall only include: the actual direct labor costs of the persons performing such services; a percentage factor of direct labor costs to cover fringe benefits and payroll taxes; travel; and other direct costs. Any fee or other indirect costs such as allocation for overhead, General and Administrative (G&A), and Cost of Money will not be reimbursed.
- (c) Cost limitations set forth in paragraph (b) above shall not be exceeded without prior Contracting Officer approval. The Parties agree that the costs may be reviewed further for appropriateness and scope. In addition, the Parties agree that a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability, shall be implemented. The Parties agree to negotiate in good faith any adjustments to these amounts as a result of empirical information from any such tracking system or reviews.

H-7 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-8 CONSTRUCTION PROJECTS

For construction projects, appropriate construction terms and conditions necessary for the completion of that project and not otherwise contained in the M&O Contract, will be incorporated into the Contract or a work authorization, as appropriate. The work authorization will also include specific work requirements in accordance with applicable DOE Orders and the Contract's Section I Clause entitled "DEAR 970.5211-1, Work Authorization."

H-9 LIMITATION ON PROTECTIVE FORCE SUBCONTRACTING

The Contractor shall not subcontract protective force services and responsibilities.

H-10 DEFINITION OF UNUSUALLY HAZARDOUS OR NUCLEAR RISK AND OTHER TERMS AS USED IN FAR CLAUSE 52.250-1, INDEMNIFICATION UNDER PUBLIC LAW 85-804 (ALTERNATE I – APR 1984) (ADDED 0008)

a. The term "a risk defined in this contract as unusually hazardous or nuclear" as used in the current contract clause means the risk of legal liability to third parties (including legal costs as defined in paragraph jj. of Section 11 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. § 2014, notwithstanding the fact that the claim or suit may not arise under section 170 of said Act, 42 U.S.C. § 2210) arising from actions or inactions in the course of the following work performed by the Contractor under this contract:

- (1) Support of DOE's Accident Response Group activities outside the United States;
- (2) Training and advising a foreign government's Accident Response Group outside the United States.
- (3) Conducting Joint Technical Operations Team activities outside the United States;
- (4) Activities on behalf of the Department of Energy involving weapons usable material in a nonproliferation effort on behalf of the United States, outside the United States, as described in (i) through (iii):
 - (i) The Department of Energy's transparency monitoring activities in Russia under the U.S.-Russian Agreement Concerning the Disposition of Highly Enriched

Uranium Extracted from Nuclear Weapons dated January 18, 1993; and any extension or modification thereof;

- (ii) Inspection, packaging, transportation, and storage of weapons usable nuclear material located in the Former Soviet Union, including Russia;
- (iii) Participation in the Department of Energy's nuclear materials protection and accountability programs in Russia, Ukraine, and Kazakhstan, including developing such systems and consulting and training individuals, or international inspectors on such systems under the:
 - (I) Agreement between the Department of Energy of the United States of America and the Federal Environmental, Industrial and Nuclear Supervision Service of Russia to Cooperate on National Protection, Control, and Accounting of Nuclear Materials (June 30, 1995), as extended and amended;
 - (II) Implementing Arrangement between the Department of Energy of the United States of America and the Ministry of Industry and New Technologies of the Republic of Kazakhstan for Cooperation in the Field of Nuclear Material Safeguards and Security (November 23, 2011)
 - (III) Agreement between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Kazakhstan concerning Control, Accounting, and Physical Protection of Nuclear Material to Promote the Prevention of Nuclear Weapons Proliferation dated 13 December 1993, amended and extended;
 - (IV) Agreement Between the United States of America and Ukraine Concerning Assistance to Ukraine in the Elimination of Strategic Nuclear Arms, and the Prevention of Proliferation of Weapons of Mass Destruction (October 25, 1993), as amended and extended;
 - (V) Joint Statement by the Secretary of Department of Energy of the United States of America and the Minister of the Russian Federation for Atomic Energy on Control, Accounting, and Physical Protection of Nuclear Materials dated 30 January 1996;
 - (VI) Joint Statement by the Secretary of Department of Energy of the United States of America and the Minister of the Russian Federation for Atomic Energy on Protection, Control, and Accounting of Nuclear Materials dated 30 June 1995; and
 - (VII) Protocol between the Government of the United States of America and the Government of the Russian Federation to the Framework Agreement on a Multilateral Nuclear Environmental Programme in

the Russian Federation of May 21, 2003 (dated June 14, 2013), and any extension or modification thereof.

- (VIII) Agreement between the Government of the United States of America and the Government of the Russian Federation Regarding Cooperation under the Framework Agreement on a Multilateral Nuclear Environmental Programme in the Russian Federation of May 21, 2003 and the June 14, 2013 Protocol Between the Government of the United States of America and the Government of the Russian Federation to the Framework Agreement on a Multilateral Environmental Programme in the Russian Federation of May 21, 2003 (June 14, 2013)
- (5) Activities on behalf of the Department of Energy involving the supply or return of enriched uranium in a nonproliferation effort on behalf of the United States, as described in (i) through (ii):
- (i) Supply of non-commercial grade uranium (typically enriched to greater than five (5) percent of the uranium-235 isotope) to authorized foreign entities for nonproliferation purposes, including but not limited to the supply of non-commercial grade uranium under the Reduced Enrichment for Research and Test Reactors program. Supply activities include project planning and management, material processing, packaging, loading, transportation planning, delivery and monitoring; and
 - (ii) Assistance in the Department of Energy's activities outside the United States under the Global Threat Reduction Initiative to remove and/or return noncommercial grade uranium (typically enriched to greater than five (5) percent of the uranium-235 isotope) to the United States or to another country for its disposition or protection. Assistance includes project planning and management, material loading, observation, container leak testing and tamper indicating device applications, technical support, and transportation and packaging support.
- (6) Other United States-sponsored activities outside the United States, as requested or approved by the President of the United States, the Secretary of Energy, the Deputy Secretary of Energy, or the Under Secretary for Nuclear Security and provided that the request or approval specifically makes the indemnity provided by this clause applicable thereto, involving:
- (i) Transparency monitoring activities;
 - (ii) Inspection, packaging, transportation, and storage of weapons usable nuclear material;

- (iii) Nuclear materials protection, control and accountability programs known as the Material Protection Control and Accounting Systems;
 - (iv) Maintenance and repair of nuclear weapons conducted outside the United States, including the safe secure dismantlement of weapons outside of the United States;
 - (v) Responses to imminent terrorist or nuclear proliferation threats regardless of location outside the United States;
 - (vi) Dismantlement or conversion to non-military purposes of nuclear weapons, nuclear weapon components or nuclear materials which could be readily utilized either for the production or the fabrication of nuclear weapons without substantial further effort;
 - (vii) Development of the technology as part of Government programs for nuclear weapons deployment, nuclear weapons storage and stockpile stewardship, nuclear weapons transportation, nuclear weapons demilitarization/sanitization, nuclear weapons dismantlement or nuclear weapons disposition to the extent such work involves nuclear weapons located outside the United States, and provided in all cases that the requesting or approving official determines that such work is of a kind uniquely performed at the Government-owned nuclear weapons facilities or uniquely managed or over seen by the contractor-managers of such facilities; and
 - (viii) Other nonproliferation work relating to weapons-useable nuclear material.
- (7) As requested or approved by the President of the United States, the Secretary of Energy, the Deputy Secretary, or the Under Secretary for Nuclear Security, non-proliferation, emergency response, antiterrorism activities, or critical national security activities that involve the use, detection, identification, assessment, control, containment, assembly, dismantlement, characterization, packaging, transportation, movement, storage, or disposal of nuclear, radiological, chemical, biological, or explosive materials, facilities and/or devices; provided that the activity relates to materials that are weapons usable or otherwise have the potential for mass destruction and further provided that the request or approval specifically makes the indemnity provided by this clause applicable to that particular activity.
- b. The unusually hazardous or nuclear risks described above are indemnified to the extent that they are not covered by the Price-Anderson Act, Section 170d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. Section 2210(d), or where the indemnification provided by the Price-Anderson Act is limited by the restriction on public liability imposed by section 170e. of the Atomic Energy Act of 1954, as amended (42 U.S.C. Section 2210(e), to an amount

which is not sufficient to provide complete indemnification for the legal liability to which the contractor is exposed.

c. Additional Definition of Terms

- (1) As used in this H-10 clause, the term "nuclear materials" means source, special nuclear, or byproduct materials as those terms are defined in Section 11 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. § 2014.
- (2) As used in Clause I-11, entitled FAR 52.250-1 INDEMNIFICATION UNDER PUBLIC LAW 85-804 (APR 1984) (ALTERNATIVE I)(APR 1984)
 - (i) the term "Contractor," except as used in paragraphs (a) and (e) of I-11 FAR 52.250-1 means:
 - I. Consolidated Nuclear Security, LLC (Consolidated Nuclear Security or CNS),
 - II. Consolidated Nuclear Security member companies: Bechtel National, Inc., Lockheed Martin Services, Inc., ATK Launch Systems Inc. and SOC LLC, the parents companies and the affiliates of each, and
 - III. Employees, officers, and directors or any of the foregoing named or threatened to be named as defendants in lawsuits or litigation threatened or initiated by third parties which seek to impose or establish, or which could result in, a risk which is defined in this contract as unusually hazardous or nuclear, on account of actions or inactions of Consolidated Nuclear Security, or on account of the actions or inactions undertaken by the corporations or individuals identified in subparagraphs (a), (b), or (c) of FAR clause 52.250-1 for, and on behalf of, or with respect to, Consolidated Nuclear Security, under this Contract;
 - (ii) the term "Contractor" as used in paragraphs (a) and (e) of Clause I-11 means Consolidated Nuclear Security, LLC;
 - (iii) the term "Contractor's business" means the management and operation of Y-12 National Security Complex (Y-12), Pantex Plant (Pantex), and Savannah River Tritium Operations (SRTO) (if option is exercised) for the Department of Energy/NNSA under this contract;
 - (iv) the terms "Contractor's operations at any one plant or separate location in which this contract is being performed" and "a separate and complete major industrial operation in connection with the performance of this contract" mean Y-12, Pantex and SRTO (if option is exercised) facilities located at Oak Ridge, Tennessee, Amarillo, Texas, and Aiken, South Carolina, respectively;

- (v) the term "agency head" as used in this clause means the Secretary of Energy; and
- (vi) the term "affiliate" as used in this clause means the member companies of Consolidated Nuclear Security (Bechtel National, Inc., Lockheed Martin Services, Inc., ATK Launch Systems, Inc., and SOC LLC), as well as companies, other than Consolidated Nuclear Security, that directly or indirectly, own or are owned or otherwise control or are controlled by the member companies of Consolidated Nuclear Security.

H-11 NNS-H-1036 CONFERENCE MANAGEMENT (SEP 2015) (ADDED 0015, REPLACED 0042)

The Contractor agrees that:

- a) The contractor shall ensure that contractor-sponsored conferences reflect the DOE/NNSA's commitment to fiscal responsibility, appropriate stewardship of taxpayer funds and support the mission of DOE/NNSA as well as other sponsors of work. In addition, the contractor will ensure conferences do not include any activities that create the appearance of taxpayer funds being used in a questionable manner.
- b) For the purposes of this clause, "conference" is defined in Attachment 2 to the Deputy Secretary's memorandum of August 17, 2015 entitled "Updated Guidance on Conference-Related Activities and Spending." A copy of the memorandum may be found at <http://energy.gov/sites/prod/files/2015/08/f26/EXEC-2015-002952%20Memo%20signed%20by%20Dep%20Sec%20Sherwood-Randall%208-17-15.pdf>.
- c) Contractor-sponsored conferences include those events that meet the conference definition and either or both of the following:
 - 1) The contractor provides funding to plan, promote, or implement an event, except in instances where a contractor:
 - i) covers participation costs in a conference for specified individuals (e.g. students, retirees, speakers, etc.) in a total amount not to exceed \$10,000 (by individual contractor for a specific conference) or
 - ii) purchases goods or services from the conference planners (e.g., attendee registration fees, renting booth space).
 - 2) The contractor authorizes use of its official seal, or other seals/logos/ trademarks to promote a conference. Exceptions include non-M&O contractors who use their seal to promote a conference that is unrelated to their DOE contract(s) (e.g., if a DOE IT contractor were to host a general conference on cyber security).
- d) Attending a conference, giving a speech or serving as an honorary chairperson does not connote sponsorship.
- e) The contractor will provide information on conferences they plan to sponsor with expected costs exceeding \$100,000 in the Department's Conference Management Tool, including:
 - 1) Conference title, description, and date
 - 2) Location and venue

- 3) Description of any unusual expenses (e.g., promotional items)
- 4) Description of contracting procedures used (e.g., competition for space/support)
- 5) Costs for space, food/beverages, audio visual, travel/per diem, registration costs, recovered costs (e.g., through exhibit fees)
- 6) Number of attendees
- f) The contractor will not expend funds on the proposed contractor-sponsored conferences with expenditures estimated to exceed \$100,000 until notified of approval by the contracting officer.
- g) For DOE-sponsored conferences, the contractor will not expend funds on the proposed conference until notified by the contracting officer.
 - 1) DOE-sponsored conferences include events that meet the definition of a conference and where the Department provides funding to plan, promote, or implement the conference and/or authorizes use of the official DOE seal, or other seals/logos/ trademarks to promote a conference. Exceptions include instances where DOE:
 - i) covers participation costs in a conference for specified individuals (e.g. students, retirees, speakers, etc.) in a total amount not to exceed \$10,000 (by individual contractor for a specific conference) or
 - ii) purchases goods or services from the conference planners (e.g., attendee registration fees; renting booth space); or provide funding to the conference planners through Federal grants.
 - 2) Attending a conference, giving a speech, or serving as an honorary chairperson does not connote sponsorship.
 - 3) The contractor will provide cost and attendance information on their participation in all DOE-sponsored conference in the DOE Conference Management Tool.
- h) For *non-contractor sponsored conferences*, the contractor shall develop and implement a process to ensure costs related to conferences are allowable, allocable, reasonable, and further the mission of DOE/NNSA. This process must at a minimum:
 - 1) Track all conference expenses.
 - 2) Require the Laboratory Director (or equivalent) or Chief Operating Officer approve a single conference with net costs to the contractor of \$100,000 or greater.
- i) Contractors are not required to enter information on non-sponsored conferences in DOE'S Conference Management Tool.
- j) Once funds have been expended on a non-sponsored conference, contractors may not authorize the use of their trademarks/logos for the conference, provide the conference planners with more than \$10,000 for specified individuals to participate in the conference, or provide any other sponsorship funding for the conference. If a contractor does so, its expenditures for the conference may be deemed unallowable.

H-12 MANAGEMENT AND OPERATING (M&O) SUBCONTRACT REPORTING (SEP 2015) (ADDED 0042)

(a) *Definitions.* As used in this clause-

"First-tier subcontract" means a subcontract awarded directly by the Contractor for the purpose of acquiring supplies or services (including construction) for performance of a prime contract. It

does not include the Contractor's supplier agreements with vendors, such as long-term arrangements for materials or supplies that would benefit multiple contracts and/or the costs of which are normally applied to a Contractor's general and administrative expenses or indirect cost.

"M&O Subcontract Reporting Capability (MOSRC)" means a DOE system and associated processes to collect key information about M&O first-tier subcontracts for reporting to the Small Business Administration.

"Transaction " means any awarded contract, agreement, order, or modification , etc. (other than one involving an employer-employee relationship) entered into by a DOE M&O prime contractor calling for supplies and services (including construction) required solely for performance of the prime contract.

(b) *Limited Interim Reporting.*

(1) The Contractor shall report no less than the twenty highest dollar value first-tier small business subcontract transactions under the contract by December 1 for the previous fiscal year until the Contractor business systems can report the required data as set forth in paragraph (c) below. Classified subcontracts shall be excluded from the reporting requirement and shall not be counted towards the total number of transactions of the reporting requirement.

(2) Transactions with a corporation, company, or subdivision that is an affiliate of the Contractor are not included in these reports.

(3) The Contractor shall provide the data on first-tier small business subcontract transactions under the contracts, as described in the *MOSRC Guide* via the Microsoft Excel spreadsheet co-located at <https://max.gov> in the MOSRC Collaboration Center. The spreadsheet will be submitted to HQProcurementSystems@hq.doe.gov.

(c) *Full Reporting.* The Contractor shall update their business systems and processes to collect and report data to MOSRC in compliance with the MOSRC Guide. The Contractor shall report data in MOSRC for FY J 7 (and each year thereafter) first-tier small business subcontracting transactions under the contract. Classified subcontracts shall be excluded from the reporting requirements. All Contractor systems shall be updated in order to provide the first FY 17 report in November 2016 for October 2016 transactions.

(d) *Pilot M&Os.* Oak Ridge National Laboratory, the National Security Campus at the Kansas City Plant, and the National Renewable Energy Laboratory shall have their business systems updated in order to provide the first FY 16 report in April 2016 for March 2016 transactions.