

AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT 1 CONTRACT ID CODE PAGE 1 of 2 PAGES

2. AMENDMENT/MODIFICATION NO. M145	3. EFFECTIVE DATE See block 16C	4. REQUISITION/PURCHASE REQ. NO. NOPR	5. PROJECT NO. (If applicable)
6. ISSUED BY U.S. Department of Energy National Nuclear Security Administration P.O. Box 2050 Oak Ridge, TN 37831		7. ADMINISTERED BY (If other than Item 6) CODE	

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, state, ZIP Code) BWXT Y-12, L.L.C. P.O. Box 2009 MS 8014 Oak Ridge, TN 37831-8014	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED (SEE ITEM 11)
	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC05-00OR22800
	10B. DATED (SEE ITEM 13) August 31, 2000

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS
 The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers is extended, is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation as amended, by one of the following methods:
 (a) By completing Items 8 and 15, and returning ___ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required) **N/A**

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS; IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

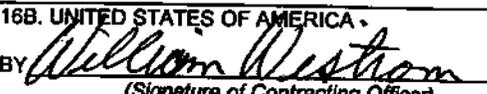
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority): THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
B. THE ABOVE-NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Public Law 95-91 and Other Applicable Laws
D. OTHER (Specify type of modification and authority):

E. IMPORTANT: Contractor is not, is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

See Page 2

Except as provided herein, all terms and conditions of the document referenced in Items 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Scott Baker, Director Business Services	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) William W. Wistrom Contracting Officer
15B. CONTRACTOR/OFFEROR BY  (Signature of person authorized to sign)	15C. DATE SIGNED 11-30-06
16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 11/30/06

The purpose of this modification is to replace Section J Attachment A, with the enclosed Attachment A, Revision 0, 10/31/06 which incorporates the following Reimbursement Authorizations and Post Retirement Health Benefit Decision letter.

1. Aug 29, 2001 RA No. 1 Added Section 4.1.d Company Service Credit
2. Feb 21, 2002 RA No. 2 Section 4.1.d Company Service Credit Paragraph
3. Feb 21, 2002 RA No. 3 Section 5.2. Employee Recognition and Memberships
4. May 17, 2002 RA No. 4 Section 3.2.4 a (1) to read calendar year instead of fiscal year.
5. Apr 15, 2002 RA No. 5 Section 4.3 Short Term Disability Pay for Salaried Employees
6. Nov 25, 2002 RA No. 6 Section 3.2.4.c Part Time and Ad-hoc Employment
7. Nov 30, 2004 RA No. 7 Section 3.2.4.b(1) to add HRP and MAA to pay practices
8. Nov 30, 2004 RA No. 8 Section 3.2.4.b(2) Saturday and Sunday work pay and Section 3.2.4.d Shift Differential updates
9. Jul 22, 2005 Post Retirement Health Benefit Decision letter CCN 14370-1/COR-Y12-7/22/2005-78769

Part III - Section J
ATTACHMENT A

I.	Definitions.....	4
II.	Compensation System.....	5
	A. Policy/Objectives	5
	B. Bargaining Unit Employee Compensation	6
	C. Exempt and NENB Compensation Programs	6
	D. Approval of Individual Compensation Actions	7
	E. Overtime Pay Program.....	8
	F. Shift Differential Pay Program	10
	G. Compensation for Certifications	10
	H. Saturday and Sunday Work:	11
III.	Benefits Program	11
	A. Policy/Objectives	11
	B. Exempt and Nonexempt/Non-bargaining Benefits Program	11
	1. Group Insurance.....	12
	2. Benefits Program for Displaced Workers	12
	3. Defined Benefit Pension Plan	14
	4. Pension and Savings Plans.....	14
	5. Defined Contribution Savings Plan	16
	6. Holidays	16
	7. Vacation	18
	8. Personal Leave.....	19
	9. Bereavement Leave.....	20
	10. Jury Duty and Service as a Witness.....	20
	11. Military Service, Training, and Emergency Duty.....	20
	12. Decision Making Leave	20
	13. Part Time and Ad Hoc Employment.....	21
	14. Leave of Absence Without Pay.....	22
	15. Severance Pay	22
	16. Participation in Civic Affairs	24
	17. Work Apparel.....	24
	18. Voting Time	25
	19. Short Term Disability Insurance	25
	20. Adjusted Service Credit.....	26

IV.	Labor Relations.....	28
V.	Miscellaneous Human Resources Programs.....	29
A.	Policy/Objectives	29
B.	Contractor Training.....	29
C.	Educational Assistance	30
D.	Professional Fees, Dues, Licenses, and Certifications.....	31
E.	Employee Recognition and Memberships	31
F.	Patent Awards	31
G.	Personnel Temporarily Assigned to Contractor Work.....	32
H.	Personnel Loaned From Contract Work	32
I.	Personnel Support Activities.....	32
J.	Participation in Association Activities.....	32
K.	Business Expense Program	32
L.	Employee Assistance Program (EAP)	33
M.	Travel and Relocation	33
N.	Key Personnel	34

Introduction

This Personnel Appendix sets forth those Contractor Human Resources Management policies and related expenses that have cost implications under the contract, and identifies those costs deemed reasonable and allowable for reimbursement when incurred in the performance of the Contractor work. Only those items of personnel costs and related expenses that are set forth herein or specifically referenced in this Attachment A are allowable costs by advance understanding under this Contract to the extent that these costs do not conflict with any other contract clause.

The Contractor shall select, manage, and direct the workforce. The Contractor shall use effective management review procedures and internal controls to assure that the allowable costs set forth herein are not exceeded, and that cost items which require prior approval of the National Nuclear Security Administration (NNSA) Contracting Officer or designated representative are reviewed and approved prior to incurrence of costs.

Either party may request that this Personnel Appendix be revised and the parties hereto agree to give consideration in good faith to any such request. Revisions to the Personnel Appendix shall be accomplished by executing a Reimbursement Authorization (DOE Form AD-36) as approved by the Contracting Officer or designated representative. When revisions to this Attachment A are agreed upon, revised pages will be issued reflecting such changes and will bear the effective date of such changes and the Reimbursement Authorization number in the upper right-hand corner of each page.

The Personnel Appendix is adopted for the exclusive benefit and convenience of the parties hereto, and nothing contained herein shall be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any third party.

The Contractor shall promptly furnish all reports and information required or otherwise indicated in this Appendix to the Contracting Officer.

I. Definitions

Adjustment. A change in salary required to establish either internal or external equity.

Adjusted Rate, Adjusted Pay, or Adjusted Base Pay is the rate of pay per hour, per week, or per month, including any premium pay.

Average Rate. The rate which is determined by dividing the weekly straight-time pay by the number of hours worked during the payroll week when an employee works at more than one basic rate or more than one shift differential rate during a payroll week.

Basic Earnings. The amount obtained by multiplying the number of hours worked by the basic rate.

Basic Rate, Job Rate, or Basic Salary. Rate of pay per hour, per week, or per month, exclusive of any premium, but including any cost of living allowances (COLAs) established in any bargaining unit agreements established for each job classification in accordance with the approved wage and salary schedules.

Basic Workweek. A 40-hour workweek.

Contractor. Refers to BWXT Y-12, L.L.C.

DOE/NNSA. The contracting officer or authorized representative of the contracting officer.

Demotion. The permanent placement of an employee in a lower-rated job classification.

Employee. A person hired by and working for the Contractor.

Exempt Employees: Executive, administrative, and professional employees who are exempt from certain provisions of the Fair Labor Standards Act (FLSA). They are on the monthly payroll.

Immediate Family. Immediate family members include husband, wife, son, daughter, mother, step-mother, father, step-father, mother-in-law, father-in-law, sister, brother, half brother, half sister, brother-in-law, sister-in-law, grandmother, grandfather, grandmother-in-law, grandfather-in-law, grandchildren, step-children, son-in-law, and daughter-in-law.

Merit Increase. An increase in the salary of an employee within the established rate range of the job classification, which is granted consistent with the salary plan.

Nonexempt Employees. Employees who are covered under and are subject to the provisions of the FLSA. They are on the weekly salaried or hourly payroll.

Overtime Pay. Payment (in addition to straight time) for any hours worked in excess of 8 hours in an 8 hour work day or 10 hours in a 10 hour work day in a 24 hour period or 40 hours within a payroll week for hourly and nonexempt salaried employees (or as otherwise agreed in advance and based on a 40 hour payroll week) and when applicable, payment for required hours worked in excess of 45 hours within a payroll week for eligible exempt salaried employees.

Payroll Day. The 24-hour period extending from midnight to midnight. Exception: Payroll day may vary from midnight to the established starting or ending time of the shift.

Payroll Week. Seven consecutive days (168 hours) extending from midnight Sunday to midnight Sunday. Exception: Payroll week may vary from midnight to the established starting or ending time of the shift.

Premium Pay. A payment in addition to straight time pay made for any reason other than overtime; for example, shift differential, weekend premium, etc.

Promotion. The permanent placement of an employee in a higher rated job classification due to an increase in the character or scope of his/her job assignment.

Reevaluation is a change of job level, up or down, through ~~formal~~ evaluation of an existing job.

Reclassification. The placement of an employee in a new classification due to reassignment without change in salary range.

Regular employee. Any full-time or part-time employee on the contractor's payroll, not in a temporary status.

Regular Rate. The straight-time rate at which the hours are worked or the average rate for the week, whichever is greater.

Regularly Scheduled Shift. The normal hours of working time in each payroll day established for each employee by the ~~Director~~ Division Manager- Human Resources.

Straight-time Pay or Straight-time Earnings. Amount obtained by multiplying the number of units of time worked by the straight-time rate per unit of time.

Straight-time Rate. The rate of pay per hour, per week, or per month obtained by adding the applicable shift differential rate to the basic rate for the job classification assigned at the time the work is performed.

Termination. Quit, discharge, layoff, retirement, death, and/or removal from the payroll because of disability (as distinguished from disability absence where the employee is not removed from the payroll).

II. Compensation System

A. Policy/Objectives

1. The purpose of the Contractor compensation system is to facilitate the achievement of organizational objectives and support business strategies of DOE and the Contractor. The programs are designed and administered to attract, retain, and motivate a competent and productive workforce that supports the mission at the Y-12 Plant. The programs will apply to exempt and nonexempt/non-bargaining (NENB) employees shall be:
 - a) Internally equitable – to meet this criterion, the employer establishes pay levels that correspond to each job's relative value to the organization.
 - b) Externally equitable – to meet this criterion, the employer establishes pay levels that correspond to those prevailing in relevant external markets for employees' positions.
 - c) Compliant with all applicable laws and regulations.

2. The Compensation System program costs directly attributable to compensation provided to Contractor employees will be allowable under this Attachment A.

B. Bargaining Unit Employee Compensation

1. The terms and conditions set forth in collective bargaining agreements (CBAs) and modifications thereto and established practices thereunder between the Contractor and recognized bargaining agents for its employees assigned to work under this contract (which involve expenditure of funds) constitute the allowable costs for bargaining unit members' compensation and benefits for reimbursement by DOE/NNSA. The collective bargaining agreements, incorporated by reference, include those with the following bargaining agents:
 - a) Atomic Trades and Labor Council AFL-CIO and its Affiliated Unions, including Local 480 of the IAM
 - b) Paper, Allied-Industrial Chemical and Energy Workers International Union (PACE), Local # 5-288
 - c) Knoxville Building and Construction Trades Council
2. Prior to the negotiation of a new and/or revised CBA, the Contractor will review its negotiation plan with DOE/NNSA and obtain DOE/NNSA approval of its cost parameters and/or subsequent changes thereto. Reasonable costs which arise from administration of or pursuant to CBAs shall constitute allowable costs. The specific approval of DOE/NNSA shall be obtained in the case of unusual items.

The contractor will provide to DOE/NNSA copies of its CBAs as they are entered into or modified and will keep DOE/NNSA informed as far in advance as practicable of significant labor developments, which are potentially precedent setting, may involve high cost, or potential work stoppages.

C. Exempt and NENB Compensation Programs

1. Design compensation programs so that they include the following components:
 - a) Philosophy and strategy for all pay delivery programs.
 - b) System for establishing a job worthy hierarchy.
 - c) System for job documentation, including the establishment of job descriptions for each job classification.
 - d) Method for relating internal job worth hierarchy to external market.
 - e) System which links the individual and/or group performance to compensation decisions.
 - f) Method for planning and monitoring the expenditure of funds.

- g) Method for assuring compliance with applicable laws and regulations.
 - h) System for communicating the programs to employees.
 - i) System for internal controls and self-assessment.
2. Obtain DOE/NNSA approval prior to changing any major compensation system component.
 3. Obtain DOE/NNSA approval for the annual Compensation Increase Plan (CIP) and Salary Ranges.
 - a) The CIP budget period will be the 12-month period from January 1 through December 31 of each year.
 - b) The proposed CIP totals will be expressed as a percentage of the payroll for the end of the previous plan year. The total amount of salary increases granted during the budget period shall not exceed the approved funds. In no event shall any unexpended portion of the CIP established for one budget period be carried into the succeeding budget period.
 - c) All pay actions granted under the CIP are fully charged when they occur regardless of time of year in which the action transpires and whether the employee terminates before year end. (commonly called recovery).
 - d) Specific employee groups (e.g., exempt, NENB) for which CIP amounts are intended shall be defined by mutual agreement between the Contractor and the DOE/NNSA.
 - e) DOE/NNSA may adjust the unexpended balance of the CIP amount based on major changes such as a significant reduction in Contractor employment levels, as in a reduction in force or drastic changes in the competitive labor market which significantly affect the CIP amount.
 4. Unexpended portions of the CIP for one salary year are not carried into the succeeding salary year.
 5. Submit an annual expenditure report, DOE F3220.8, to include breakouts for merit, promotion, adjustments, lump sums, and structure movement for each payroll showing actual against planned amounts.

D. Approval of Individual Compensation Actions

The Contractor will submit annually proposed individual salary actions for Key Personnel identified in Section J, attachment D of this contract, and employees who's salary is equal to or greater than the Secretary of Energy for approval by DOE/NNSA. These actions shall be submitted to DOE/NNSA on a Compensation Approval Form, DOE F 3220.5 at least thirty (30) days in advance of the proposed effective date of the action. DOE/NNSA shall exert its best efforts to process the approval determination within the thirty (30) day period; in the event

the approval determination is not provided within thirty (30) days, subsequent approval may be made retroactive to the effective date proposed by the Contractor.

Obtain DOE/NNSA approval for any proposed salary amount paid an employee in excess of the range prior to payment.

E. Overtime Pay Program

The Contractor shall maintain adequate internal controls to ensure that employee overtime is authorized only if cost effective and necessary to ensure performance of work under this contract. The Contractor shall notify the Contracting Officer when in any given year it is likely that overtime usage as a percentage (exempt and nonexempt base pay) of payroll may exceed, or is likely to exceed, four percent. In such circumstances the contractor will submit to NNSA an overtime plan forecasting the overtime necessary to meet known work requirements. This report will be provided to NNSA within 30 days after the beginning of the fiscal year. Overtime will be managed to provide for the safe and cost-effective utilization of human resources and efficient conduct of business. Performance will be reported to the NNSA on an annual basis, approximately 30 days after the end of the calendar year.

1. Exempt Overtime:
 - a) Employees at or below Salary Grade 5 are eligible for straight time pay for hours worked in excess of 45 in a payroll week.
 - b) All exempt employees except Division Managers/Directors are eligible to earn compensatory time off at the rate of one hour earned for two hours worked. Individual compensatory time may not exceed 80 hours annually.
 - c) Casual overtime will not be paid.
2. Supervisory employees may receive additional compensation when required to work extensive additional hours, which result in serious inequities with other employees in the same work group.
3. Extended work week - Under extenuating circumstances, where exempt employees are required to work greater than 50 hours/week on a continuing basis for at least two months to meet critical goals and milestones, the contractor may pay for additional hours above 40 hours/week at the straight time rate for those additional hours. The request requires the approval of both the affected Division Manager/Director and the Human Resources Manager.
4. Nonexempt Nonbargaining Overtime:
 - a) Except as provided in subparagraphs (2) and (3) below, a NENB employee shall be paid, if applicable, for all hours worked in excess of 40 hours in one basic work week. Additionally NEMB employees will be paid at the rate of one and one-half (1½) of the employee's base pay and shift differential for work in excess of

eight (8) in any twenty-four (24) hour period for employees whose work week consist of five (5) eight (8) hour days and in excess of ten (10) in any twenty-four hour period for employees whose work week consists of four (4) ten (10) hour days.

- b) Each employee participating in a workweek consisting of five (5) eight (8) hour days may receive time and one-half of the employee's base pay for all hours worked on the employee's first day of rest, and double time for all hours worked on the employee's second day of rest.
- c) Each employee participating in a workweek consisting of four (4) ten (10) hour days may receive time and one-half of the employee's first and second day of rest, and double time for all hours worked on the employee's third day of rest.
- d) Hours actually worked shall be considered as hours of work for computing overtime pay.
- e) An employee who is required to work in excess of sixteen (16) continuous hours, excluding the nonpaid lunch period, shall be paid two (2) times his/her regular base pay for all such continuous hours worked in excess of sixteen (16).
- f) If an employee on the 5/8 shift is required to work eleven (11) or more continuous hours (counting the regular lunch period) he/she shall be granted a meal allowance and thirty (30) minutes to eat on Company time. Employees on the 4/10 shift are required to work 12 or more hours. An employee will be granted another meal allowance and thirty (30) minutes to eat on Company time for each successive four (4) hours of work, providing he/she is to continue working. If he/she is scheduled to clock out at the end of a four (4) hour period, the employee will be furnished the meal allowance only.
- g) An employee called in by the Contractor to work outside his/her regular shift to meet special requirements may be paid at the applicable overtime rate for all hours worked, or four (4) hours straight time pay, whichever is greater.
- h) Shift Premium: A shift premium is paid to NENB employees scheduled to work on rotating shift schedule or a fixed shift schedule will receive a shift premium as follows:
 - 1) Employees assigned to the 4 p. m. to 12-midnite shift or any variation of this shift may be paid up to sixty cents (\$.60) per hour for hours worked.
 - 2) Employees assigned to the 12-midnite to 8 a. m. shift or any variation of this shift may be paid up to one dollar and twenty cents (\$1.20) per hour for hours worked.

3) Shift employees working overtime will receive overtime pay computed on their rates plus the shift premium, if any, in effect during their regularly scheduled shift.

- i) Call In Allowance: A NENB employee who properly reports to work and is sent home because of lack of work shall receive a minimum of four (4) hours pay at his or her regular hourly rate, unless he or she has been previously notified not to report to work.
- j) Change in Work Schedule: A NENB employee whose schedule is changed with less than forty-eight (48) hours notice prior to the first hour of the new schedule will receive one and one-half (1 1/2) times his or her regular rate for the first eight (8) hours on a 5 day 8 hour schedule or for the first ten (10) hours on a 4 day 10 hour schedule.
- k) Saturday and Sunday Work: A NENB employee who works on Saturday and/or Sunday as part of the regular schedule may receive an additional fifty cents (\$.50) per hour for such work on Saturday and an additional one dollar (\$1.00) per hour for such work on Sunday, unless such work is part of an extended work week. These payments may not be included in earnings when calculating the employee's participation in the various benefit plans.

F. Shift Differential Pay Program

Exempt salaried employees assigned to shift work will receive shift differential as follows:

- 1. Employees assigned to the standard rotating shift schedule may receive up to \$130 a month.
- 2. Employees assigned to the 4 p.m. to 12-midnight shift or any variation of this shift may be paid up to \$120 per month.
- 3. Employees assigned to the 12 midnight to 8 a.m. shift or any variation of this shift, may be paid up to \$220 a month.
- 4. Employees assigned to a rotating shift other than the standard rotating shift will be paid a combination of the appropriate differentials based on the percent of time worked on each shift.
- 5. Employees assigned to an irregular shift may be paid the differential for the shift on which more than 50 percent of the hours were worked. If time is equal, the highest rate may be used.

G. Compensation for Certifications

Non-bargaining employees may be paid for certifications and/or qualifications with DOE/NNSA approval.

H. Saturday and Sunday Work:

An exempt salaried employee who works on Saturday and/or Sunday as part of the regular schedule may receive an additional fifty cents (\$.50) per hour for such work on Saturday and an additional one dollar (\$1.00) per hour for such work on Sunday, unless such work is part of an extended work week. These payments may not be included in earnings when calculating the employee's participation in the various benefit plans.

III. Benefits Program

A. Policy/Objectives

1. The contractor will design and administer benefit programs to attract, retain, and motivate a world-class, high-tech and diverse workforce with skills and competencies aligned with the Y-12 mission. The program shall be:
 - a) Competitive with the external labor markets and market based
 - b) Cost-effective and within criteria prescribed by DOE
 - c) Compliant with all applicable laws and regulations
2. Benefits program costs directly attributable to benefits provided to Contractor employees or Contractor retirees, as well as reasonable administrative costs, will be allowable under this Attachment A. Allowable insurance costs incurred in connection with the plans shall be all costs under the above plans which are applicable to the work under the Contract and which are in excess of the employee's or retiree's level of premium contribution.
3. The Contractor may provide employees the provision of making required benefit plan contribution payments on a pre-tax basis consistent with Section 125 of the IRS Tax Code.

B. Exempt and Nonexempt/Non-bargaining Benefits Program

The Contractor shall submit a benefit value study consistent with the requirements in DOE Order 350.1 with the exception that benefit value studies will be due every two (2) years as opposed to three (3).

If the benefits value result is 5 percent or below the comparator for other organizations, no further action is required. If the contractor benefit value result is greater than 5 percent above the comparator for other organizations, the contractor shall submit to the Contracting Officer a corrective action plan to achieve conformance with the range of acceptability defined above, unless otherwise justified in writing. The plan shall include specific benefit plan changes and a timetable for implementation and shall be approved by the Contracting Officer.

1. Group Insurance

The Contractor will be reimbursed for all cost incurred in implementing, administering, and funding comprehensive group insurance plans. Initial implementation or substantial changes to these plans require DOE/NNSA approval. The features of these plans are set forth in policies and summary plan descriptions, a current copy of which will be provided to DOE/NNSA. These plans will be administered consistently in accordance with Plan Documents, insurance contracts, applicable laws and fiduciary responsibilities.

2. Benefits Program for Displaced Workers

- a) The cost of medical plan coverage for contractor employees who have separated from employment, excluding those terminated "for cause," will be reimbursable from the date of separation provided the employee was:
- 1) On the employment rolls and voluntary or involuntary separation on or after September 27, 1991, as a result of the implementation of a work force restructuring plan requested by the Secretary of Energy; and,
 - 2) Eligible for medical insurance coverage under the contractor's plan at the time of separation; and,
 - 3) Not eligible for coverage under an employer's group health plan or Medicare since the time of separation.

Plan	Current Contractor Cost
Group Life Insurance	Active salaried employees, retirees Under 65 50% of full cost for basic life
Medical Expense including Prescription Drug and Vision Plans	Active salaried employees 80% of full cost. Active ATLC hourly employees 80% Active Y-12 PACE hourly employees 82% . Changes to 80% in January, 2007. Under 65 retirees with greater than ten years of service 75% full cost
Major Medical Medicare Supplement Plan	Over 65 retirees (with greater than ten years of full service time) 50% of full cost
Dental Expense Assistance Plan	Active salaried employees 80% of full cost. Active ATLC hourly employees 80%. Same costs for active Y-12 PACE hourly as in the Medical Plans above. Under 65 retirees with greater than ten years of service 75% full cost.
Travel Insurance	100% covered
Special Accident Insurance Plan	Fully paid by the employee
Long Term Disability Plan	100% full cost replacement for hourly employees. For salaried employees, the contractor provides a benefit equal to 30% of salary. The Employee may purchase an additional 30%. Maximum benefit is \$5,000 per month.
Medical and Dependent Care Flexible Spending Accounts	Administrative Cost only
Spouse/Child Life	Administrative Cost only
Supplemental Life	Administrative Cost only
Long term care	Administrative Cost only

Table 1. Benefit Plans

*This table will be revised to reflect approved benefit plan changes when determined.

- b) Retirees eligible for medical coverage under the Contractor's health plan will not be eligible for coverage under Section 3161 of the National Defense Authorization Act of 1993.

- c) Benefits for displaced workers contained in Workforce Restructuring Plan, developed pursuant to the National Defense Authorization Act of 1993, are reimbursable to the extent that a specific description of each benefit with supporting information and detailed projected costs has been reviewed and approved in advance by DOE/NNSA, for inclusion in the Plan.
3. Defined Benefit Pension Plan
- a) If the contract terminates or expires and there is a replacement contractor, all assets and liabilities shall transfer to the replacement contractor, and the contractor shall be relieved of, and indemnified by DOE/NNSA, against any and all liabilities arising from such plans.
 - b) If the contract terminates or expires and there is no replacement contractor, the plan shall be terminated in accordance with the provisions of ERISA and the Internal Revenue Code (IRC). Annuity purchase bids will be solicited from a minimum of five of the ten largest insurance companies whose AM Best rating is A+ and who are currently quoting pension plan termination annuities. After all obligations for all liabilities (as defined in IRC 1.414(1)) of these defined benefit plans have been fully funded, as well as any related tax liability of the corporation, any remaining assets shall be returned to the DOE/NNSA. If the assets are insufficient to cover pension obligations, DOE/NNSA shall provide additional funding to cover such obligations.
 - c) If the plan terminates before the contract terminates the definition and disposition of assets and liabilities shall be as specified in paragraph (2).
 - d) Under the scenarios described in paragraphs (1), (2), and (3), the contractor shall actively manage all assets until the date of settlement. Such management shall include protection of principal if appropriate.
4. Pension and Savings Plans
- a) The Contractor will be reimbursed for all costs incurred in implementing, administering, and funding the above plans. Initial implementations or substantial changes to these plans require DOE/NNSA approval. The features of the Pension and Savings Plans are set forth in plan descriptions, current copies of which will be provided to DOE/NNSA. These plans will be administered consistently and in accordance with applicable laws, Internal Revenue Service code, Plan Documents, and fiduciary responsibilities.

The Contractor will periodically review the Plans to assure that the plan design meets Contractor objectives to provide income replacement value consistent with industry standards, and to assure the overall benefit package is reasonable and competitive from a total compensation perspective.

The contractor cost of these plans is included in the table below:

Plan	Contractor Cost
Pension Plan	100% contractor paid
Savings Plan	100% match up to first 2% of pay 50% match up to next 4% of pay

Table 2. Pension/Savings Plans Cost Breakdown

b) **Reports**

The Contractor will submit copies of actuarial valuation reports (prepared by the Contractor's actuarial consultants), a copy of IRS Form 5500 with schedules as submitted to IRS, and other financial or accounting reports developed or required in connection with the DOE/NNSA reimbursed Pension and Retirement Plans.

c) **Non Qualified Pension Plans**

Non-qualified Pension Plans implemented solely to replace the reductions in the Pension Plan benefit due to limitations imposed by Sections 415 and 401(a) 17 of the Internal Revenue Code are reimbursable under this contract. These plans will provide employees with benefits provided under the formulae expressed in the contractor's Pension plan and does not provide any additional benefit absent the Internal Revenue Code limitations. These benefits will be funded on a pay-as-you-go basis.

d) **Contract Termination/Expiration**

The contractor shall not terminate any benefit plan without DOE/NNSA approval. All costs for claims arising from defined benefit plans and post-retirement life, medical and other benefit liabilities for active and retired employees are obligations of the government. It is the intention of DOE/NNSA not to entertain any enhancements in these programs after the contractor announces the intention not to renew the contract. At the termination or expiration of this contract, the contractor's obligations to employees and retirees for these plans shall be relieved and indemnified by the government as described below:

- 1) **Post Retirement Life and Medical, and Other Benefit Obligations**

If the contract terminates and there is a replacement contractor, all assets and liabilities shall transfer to the replacement contractor, and the contractor shall be relieved of, and indemnified by DOE/NNSA, against any and all further liabilities arising from such plans.

If the contract terminates and there is no replacement contractor, DOE/NNSA will make available to the contractor in a timely manner sufficient funds so that the contractor has no out-of-pocket expenditures from corporate funds to cover all liabilities incurred under this contract related to Contracting Officer-approved employee welfare benefit plans (including but not limited to medical, life, and workers' compensation). If so requested by DOE/NNSA at the time of contract termination or expiration, where there is no replacement contractor, the Contractor will, with Contracting Officer Approval, (which will not be unreasonably denied) either (i) continue as the sponsor of these plans until all liabilities of such plans are discharged, or (ii) purchase annuities to guarantee the accrued liabilities of the plans which will be discharged by a third party insurance company.

2) Taxes and IRS Penalties

If contractor action or inaction regarding plans approved by the Contracting Officer results in a tax or other IRS penalty, the contractor shall pay it from corporate funds. If DOE/NNSA action or inaction regarding plans approved by the Contracting Officer results in a tax or other IRS penalty, the contractor shall pay it from DOE/NNSA funds.

5. Defined Contribution Savings Plan

Upon contract termination, individual employee accounts in the defined contribution plan shall be handled in accordance with the provisions of ERISA. Any unallocated funds (e.g., suspense accounts) shall be returned to the DOE/NNSA.

6. Holidays

a) Each exempt and NENB employee may, when the work schedule permits, be granted time off for holidays as follows:

- 1) Each employee participating in a workweek consisting of five (5) eight (8) hour days will be granted time off pay with pay for the following eleven (11) holidays per calendar year and paid at the rate of eight (8) hours pay at his/her straight time base pay rate, if applicable.

New Year's Day	Labor Day
Martin Luther King, Jr. Day	Thanksgiving Day
Thanksgiving Associated	Good Friday
Memorial Day	Christmas Day
Christmas Associated	Independence Day
Companion to Independence Day (or other day determined by contractor)	

Table 3. 5 Day 8 Hour Week Holidays

- 2) Each employee participating in a workweek consisting of four (4) ten (10) hour days will be granted time off with pay for the following nine (9) holidays per calendar year and paid at the rate of ten (10) hours pay at his/her straight time base pay rate for eight (8) of the holidays and eight (8) hours for the ninth (9) holiday.

Holiday	4/10 "A" Shift (Mon. - Thurs.)	4/10 "B" Shift (Tues. - Fri.)
New Year's Day	Yes	Yes
Martin Luther King, Jr. Day	Yes	Yes
Good Friday	SDO	Yes
Memorial Day	Yes	SDO
Independence Day	Yes	Yes
Companion to Independence Day (or other day determined by contractor)	Yes	Yes
Labor Day	Yes	SDO
Thanksgiving Day	Yes	Yes
Thanksgiving Day Associated	SDO	Yes
Christmas Day	Yes	Yes
Christmas Eve	Yes	Yes

Table 4. 4 Day 10 Hour Week Holidays

- b) A NENB employee required to work on one of the designated holidays, shall receive holiday pay at the rate of 2.5. times the employee's adjusted rate for nonexempt employees. For exempt employees below salary grade 5 the pay is 2 times the employee's adjusted rate. Exempt salaried employees above salary grade 5 are not eligible for a holiday pay premium.
- c) An exempt employee above salary grade 5 who is required to work on a day observed as one of the designated annual holidays may be permitted to choose another regularly scheduled workday to observe the holiday. The alternate workday shall be taken at a later date, but within the same calendar year, where practicable.

7. **Vacation**

- a) Exempt and NENB employees shall earn, on a prorated basis, and may take vacation in accordance with the following schedule:

- 1) Employees with 15 years company service on 1/1/96

Completed Years of Service	Vested Annual Vacation
6 Months to 1Year	40 Hours
1 through 4	80 Hours
5 through 9	120 Hours
10 through 19	160 Hours
20 through 29	200 Hours
30+	240 Hours

Table 5. Vacation for 15 years company service

- 2) Employees with less than 15 years company service on 1/1/1996

Completed Years of Service	Vested Annual Vacation
6 Months	40 Hours
1 through 4	80 Hours
5 through 9	120 Hours
10 through 19	160 Hours
20+	200 Hours

Table 6. Vacation for < 15 years company service

3) New Hires on or after 1/1/96

Completed Years of Service	Annual Vacation Accrual
6 Months	40 Hours
1 through 4	80 Hours
5 through 9	120 Hours
10 through 19	160 Hours
20+	200 Hours

Table 7. Vacation for new hires after 1/1/1996

- b) Exempt and NENB employees may take annual vacation leave in one-hour increments.
 - c) Vacation allowance will be paid based upon the employee's base pay in effect at the time the vacation is taken, or at the time of transfer or termination, as is applicable.
 - d) The Contractor may grant a newly-hired employee service credits for purposes of vacation accrual when it is deemed necessary in order to attract and hire requisite highly skilled staff.
 - e) An hourly employee who is deprived of a vacation at the end of the year due to a short-term disability, through management action, or because of unusual working conditions may receive payment for such vacation in addition to regular pay. A salaried employee similarly deprived of a vacation will receive equivalent time off in the following year unless the contractor authorizes payment for the vacation.
 - f) An employee may be paid for unused vacation at the time of termination.
8. Personal Leave
- a) The following employees are eligible for paid Personal Leave:
 - 1) Exempt employees
 - 2) NENB employees
 - b) An eligible employee may be granted time off at his/her base pay with the approval of the Contractor, for occasional absences due to personal reasons. Paid personal leave for each eligible employee shall not exceed forty (40) hours per payroll year. Employees may report and be charged for personal leave in increments of one hour. Exempt employees who are allowed time off for personal reasons in increments of less than a whole workday and have already used forty (40) hours of personal leave in that payroll year shall be required to use accrued vacation leave or Monthly Balancing Time for that partial day. However, exempt employees who are allowed time off for a partial workday and have exhausted all personal and

vacation leave shall receive one hundred percent (100%) of their regular base pay without reduction for the personal leave. Personal leave hours taken in increments of whole workdays by exempt employees who have already used forty (40) hours of personal time will be considered time off without pay.

- c) At the discretion of the Division Manager, Human Resources, an eligible employee may be granted personal leave in excess of forty (40) hours per payroll year due to circumstances related to personal hardship provided the affected employee has exhausted all accrued vacation leave. Each case will be reviewed and approved by the Division Manager, Human Resources.

9. Bereavement Leave

In the event of the death of a member of the employee's immediate family, a salaried employee may be granted leave with pay for up to four days.

10. Jury Duty and Service as a Witness

An exempt or NENB employee may be allowed up to forty (40) hours per week paid time off (unless otherwise required by the courts) for the time required to (i) serve on a jury or jury panel and (ii) serve as a witness, if required to do so by subpoena. Absences allowed under this provision shall not be considered as hours worked for purposes of computing overtime pay.

11. Military Service, Training, and Emergency Duty

Military service, training and emergency duty policies are administrated in accordance with applicable laws, contractor policies, and procedures. An employee will be granted a leave and protection against loss of pay for required military training and emergency duty. Such payments are limited to a maximum of 2 weeks per year (or 4 weeks every 2 years) for training and one month per year for emergency duty at the employee's adjusted rate. Make-up pay may be granted for required active duty military service.

An employee also may be paid for absences from work when required to register or take a physical examination required for entry into the armed forces.

12. Decision Making Leave

Time off with pay for a decision making leave under the Contractor's discipline program is Allowable, not to exceed three (3) work days. Additional time off with pay must be approved by the Contracting Officer.

13. Part Time and Ad Hoc Employment

Part-time and Ad-Hoc employees may be hired at the salary ranges consistent with internal and external market pricing for comparable jobs.

The provisions of this Paragraph shall apply to employees hired as part-time and/or employees transferring from full-time to part-time status who apply and receive approval for part-time employment status. Part-time status is defined as working between 20% and 80% of a regular schedule as evaluated on a semi-annual basis. Part-time employees will be compensated on a pro-rated basis of hours worked in relation to their normal base rate and a 40-hour workweek.

- a) Part-time non-exempt employees will be paid straight time for all hours worked up to 40 in a week, no matter how many hours are worked in any one day.
- b) All part-time employees are considered nonexempt for overtime purposes consistent with the Fair Labor Standards Act regardless of job classification.
- c) Holiday pay for part-time employees may be pro-rated (e.g., if a part-time employee works 24 hours a week, holiday pay would be at 60% pay).
- d) Part-time employees shall be eligible to participate in the Compensation Increase Plan.
- e) Part-time employees are eligible for coverage under certain company benefit plans, policies and procedures.

Schedule of Benefits for Y-12 Salaried Part-Time Employees

Benefit	20 Hours/Week	21 To 39 Hours/Week
Jury Duty		Pro-Rated
Long-Term Disability		X
Temporary Military Duty		Pro-Rated
Bereavement		Pro-Rated
Paid Absence		Pro-Rated
Vacation		Pro-Rated
Holiday Pay		Pro-Rated
Group Insurance	X	X
Educational Assistance		X
Savings Plan	X	X
Retirement	X	X
Rewards, Recognition, and Suggestion Program	X	X
Voting Time	X	X

X = Full Participation

Table 8. Schedule of Benefits for Y-12 Salaried Part-Time Employees

Part-time employees not working a regular scheduled workweek shall be compensated at an hourly rate established at the time of hire or transfer from full-time status. The amount and frequency of pay increases shall be at the discretion of management in accordance with the Compensation Increase Plan.

14. **Leave of Absence Without Pay**

An employee may be granted a leave of absence without pay, for a period of twelve (12) months with an option of extending the leave of absence by the contractor provided the absence will not interfere with the Contractor's operations or create any conflict of interest. Continuation of benefits during leave of absence without pay will be administered according to the Contractor's leave of absence policy.

15. **Severance Pay**

The following severance pay provisions will apply to exempt and NENB employees:

a) Pay Schedules

An exempt or NENB employee laid off due to (1) reduction in force, (2) job elimination, (3) refusal to accept a job at a lower rate of pay as a result of a reduction in force or job elimination shall be eligible to receive severance pay with the maximum available awards as follows:

Service Credit	Severance Pay
3 months but under 1 year	1/12 of ½ month's pay for each completed month of company service credit
1 year and under 3 years	½ month's pay
3 years and under 5 years	¾ month's pay
5 years and under 7 years	1 month's pay
7 years and under 10 years	1 ½ month's pay
10 years	2 month's pay
11 years or more	Same for 10 years, plus ¼ month for each additional year of service

Table 9. NENB Severance Pay

Salaried employees will also be eligible for severance pay in the event a salaried employee is terminated because of his/her inability, as deemed by the Contractor, to perform the essential functions of his/her job.

b) Pay in Lieu of Notice

- 1) Normally, exempt or NENB employees subject to a reduction in force will be given at least two (2) weeks notice. The Contractor may pay the employee at his/her base pay for two (2) weeks in lieu of notice.
- 2) In the event the Contractor allows an exempt employee to resign with notice and, as deemed by the Contractor, the services of such employee cannot be productively utilized during the period of notice or if his/her presence at the work site during the notice period is not desired, the Contractor may pay the employee at his/her base pay for two (2) weeks in lieu thereof.
- 3) In providing pay in lieu notice, the provisions of the Worker's Adjustment Retraining Notification (WARN) Act will be considered, as appropriate.

If the Contractor reemploys an employee after having been paid a severance payment, Company Service Credit for any subsequent severance payment consideration shall start from the date of such reemployment. If any individuals are re-employed by the Contractor prior to the end of the period covered by the severance pay (e.g., received 20 weeks severance pay, but re-employed after 15 weeks), the difference must be refunded.

No severance pay is paid to employees who terminate their employment voluntarily, who are discharged, or who resign by Contractor request.

16. Participation in Civic Affairs

The Contractor may authorize employees to participate in civic affairs. The salaries, wages, and fringe benefits of employees while engaged in such approved activities will be treated as allowable costs. The total amount of time devoted to civic activities (total of a), b), and c) below) by all Contractor employees shall not exceed two thousand eighty (2,080) hours in any calendar year for the total contract.

a) Civic Leave

Employees holding elected federal, state, or local government office may be permitted to utilize a reasonable period of working time with pay to carry out responsibilities which are required by the office and cannot be handled outside working hours.

b) Civic Defense/Emergency Preparedness Exercises

Employees who have volunteered and have been accepted by a local Civil Defense Organization to participate in community or national defense alert operations or in Civil Defense/Emergency Preparedness training may be excused from work for such participation without loss of pay for scheduled hours of work.

c) Election Officials

An employee who has been officially appointed to serve as an election officer, judge, or clerk may be excused from work without loss of pay for the period of time necessary to serve in such capacity.

17. Work Apparel

Employees who are required or allowed to wear special clothing, shoes and protective equipment for various reasons such as safety, housekeeping, protection from harmful chemicals or radioactive contamination, guard exercise clothing, etc., are furnished such items at no cost to the employees. Cost of providing and laundering of such special clothing are allowable costs. Safety glasses or goggles and safety shoes other than those furnished by the Contractor (one pair of which may be sold to any employee once every two years at \$8 less than cost per pair in

an attempt to prevent off-the-job lost time accidents) are also allowable costs.

18. Voting Time

Employees may be excused from work without loss of pay for the minimum time needed, not to exceed two (2) hours to vote in a national, state, county, or municipal election consistent with state laws.

19. Short Term Disability Insurance

a) Short Term Disability Pay

Parent company transfers company recognized date will be used to determine STD pay eligibility. Under the contractor's absence control program, a system to assure appropriate administrative actions are taken in a timely manner based upon medical evidence is implemented to assure reasonable sick leave usage and management of the Disability Allowance Program for both non-occupational and occupational disabilities. The schedule of maximum salary continuation for short-term disabilities is as follows:

Company Service Time	Duration of Salary
One month but less than two months	One month
Two months but less than three months	Two months
Three months but less than four months	Three months
Four months but less than five months	Four months
Five months but less than six months	Five months
Six or more months	Six months

Table 10. Schedule of Maximum Salary Continuation for Short-Term Disabilities

Salary continuation for short-term disabilities will be on a per disability basis. Ordinarily, salary payments during short-term disabilities will be made at the employee's adjusted rate. Any "loss-of-earnings" payments received, such as Workmen's Compensation Benefits in cases of occupational disability, will offset the continued payments of salary.

b) Death Benefits

In case of death of a salaried employee, salary payments may be continued until the end of the month following the month in which death occurs.

20. Adjusted Service Credit
- a) M&O Contractors can recognize Parent Company service for their employees transferring to an NNSA M&O contractor site *without* prior DOE/NNSA service, for the purpose of determining eligibility for the following benefits.
 - 1) Eligibility for Vesting and Vacation
 - 2) Eligibility to participate in 401K Plan
 - 3) Pension Plan Vesting
 - 4) Entitlement to early retirement benefits and early commencement of deferred vested benefits under the pension plan
 - 5) Service Awards
 - 6) Retiree Medical Benefits as defined per Table 11.
 - b) M&O Contractors can also recognize Parent Company service for their employees transferring to an M&O contractor that have worked for the Parent Company at other DOE/NNSA sites, for the purpose of determining eligibility for severance pay provided the employee did not receive severance pay at the other DOE/NNSA sites.
 - c) M&O Contractors can also recognize Parent Company service for their employees transferring to an M&O contractor that have worked for the Parent Company at other DOE/NNSA sites, for the purpose of determining eligibility for retiree medical benefits provided the employee had at least ten years continuous service at the new DOE/NNSA site and other DOE/NNSA sites immediately prior to retirement.

The following table (Table 11) summarizes the information for ease of use:

Benefit	Parent Company Employee Transferring to NNSA M&O Site <i>Without</i> Prior DOE Service	Parent Company Employee Transferring to NNSA M&O Site <i>With</i> Prior DOE Service
Eligibility and Vesting for Vacations	YES	YES
Eligibility to participate in 401K	YES	YES
Eligibility to participate (vesting) in pension plan	YES	YES
Computing pension benefit in Defined Benefit pension plan	NO	NO
Vesting for early retirement benefits and early commencement of deffered vested benefits under the pension plan	YES	YES
Service Awards	YES	YES
Severence Pay	NO	YES
Vesting for Retiree Medical Benefits	YES, Parent Company Employees who entered BWXT Y-12 employment process PRIOR TO August 1, 2005. NO, Parent company Employees who entered BWXT Y-12 employment AFTER August 1, 2005.	YES, if 10 years service at current DOE/NNSA site and/or and other DOE/NNSA sites immediateley prior to retirement

Table 11. Schedule of Adjusted Service Credit

- d) The Contracting Officer may approve, in advance, on a case-by-case basis, the extension of benefits to other Parent Company employees who transfer to an NNSA M&O site that have no prior DOE/NNSA service.

IV. Labor Relations

A. Policy/Objectives

1. It is the objective of the BWXT Y-12 labor relations program to pursue collective bargaining practices that promote efficiency and economy in Contract operations, judicious expenditure of public funds, and effective labor management relationships
2. The terms and conditions set forth in collective bargaining agreements between the Contractor and recognized bargaining agents for its employees assigned to work under this Contract constitute the allowable costs for bargaining unit employees' compensation and benefits for reimbursement by NNSA. The following collective bargaining agreements are incorporated by reference:
 - a) Atomic Trades and Labor Council AFL-CIO and its Affiliated Unions
 - b) Paper, Allied-Industrial Chemical and Energy Workers International Union (PACE), Local # 5-288
 - c) Knoxville Building and Construction Trades Council
3. Expenses, including contracted legal counsel expenses, related to grievance processing and settlement, arbitration and arbitration awards, NLRB matters, litigation involving actions related to collective bargaining and other associated expenses including costs of meeting rooms, presentation equipment and materials, meals and room allowances for Company bargaining representatives related to collective bargaining are allowable costs.
4. Expenses associated with employee representation activities are allowable costs.

B. Labor Relations Program

The Contractor shall:

1. Develop and implement labor relations programs that promote effective collective bargaining relationships, efficient and economy in operations, and the judicious expenditure of public funds.
2. Comply with all applicable laws and regulations in the administration of its labor relations program.

3. Review its bargaining objectives with NNSA and receive NNSA approval for economic parameters prior to entering negotiations with a bargaining unit regarding economic collective bargaining issues. Such established economic parameters may be modified during the course of negotiations only with NNSA approval.
4. Consult with Contracting Officer prior to and during the course of negotiations with labor unions, and during the terms of resultant contracts, on economic issues and other matters that have a potentially significant impact on make-of-buy decisions or other matters affecting efficiency or economy of operations.

V. Miscellaneous Human Resources Programs

A. Policy/Objectives

The purpose of the Contractor Miscellaneous Human Resources Program is to facilitate the achievement of organizational objectives and to support the business strategies of the Contractor and NNSA. The programs are designed to provide competitive plans/features necessary to attract, Retain, and motivate a competent workforce. Miscellaneous Human Resources Program costs directly attributable to the programs provided to Contractor employees, as well as reasonable administrative costs, will be allowable under this Attachment A. The programs shall be:

1. Designed and administered in a cost effective manner.
2. Designed and administered in a manner that provides equal access to all employees.
3. Compliant with all applicable laws and regulations.

B. Contractor Training

1. Internal Training

Internal training programs may include, but are not limited to, orientation, job training, supervisory training, and executive development. Such training programs may be conducted during an employee's scheduled workday or after working hours. An employee who participates in training after working hours will normally not be paid for hours of attendance. However, nonexempt employees who are required by the Contractor to attend such classes shall be paid at the applicable premium rate. Reasonable costs of in-house training, including necessary equipment, material and instructor personnel are allowable.

2. External Training

The Contractor may send an appropriate number of employees to technical meetings, professional society meetings, seminars, conferences, and other specialized training courses when, in the opinion of the Contractor, participation as such functions may contribute to the performance of the work under this Contract. Employees participating in such functions will

receive their regular salaries or wages. Travel expenses, including registration, and enrollment fees, lodging, conference meals, and other necessary and related conferences expenses will be allowed when authorized by the Contractor.

C. Educational Assistance

1. Cooperative Educational Program

The Contractor may provide temporary employment opportunities for students under the cooperative education and student intern programs.

2. Educational Assistance Program

The Contractor may provide financial assistance to eligible employees who engage in educational activities in order to establish, maintain, or upgrade skill required by the Contractor. Eligible employees must satisfactorily complete courses of study to be eligible for assistance. Educational assistance may include payment for tuition, textbooks, supplies, and fees. Payment may also be made for proficiency testing, which results in the granting of academic credit or is otherwise required by the school.

Regular work hours may be rescheduled to attend classes provided that there is no significant reduction in the employee's productive contribution caused by the rescheduling. Reduction of work schedules, with appropriate reduction of pay, and leaves of absence may be granted to facilitate course completion where deemed beneficial to pay for work under the Contract. Employees participating in Educational Assistance Program may use facilities, equipment, and services in support of their studies if approved by management.

3. University Program Participation

The Contractor may permit a rescheduling of regular work hours or a reduction in the work schedule and corresponding reduction in pay for Contractor employees who are engaged in teaching, planning, or general management at local colleges or universities.

4. Paid Educational Leave/Sabbatical Leave

- a) To obtain advanced degrees in fields of study, which, in the opinion of the contractor, will further the DOE/NNSA mission.
- b) Such leaves may be approved for a cumulative duration not to exceed 24 months per individual.
- c) No more than four individuals may be on paid educational/sabbatical leave at any given time.
- d) The leaves require approval by the Division Manager, Human Resources.

- e) If the employee does not return to active work after the approved leave period, the employee will be required to pay back the salary continuation and benefits costs received during the leave.
- f) If the employee voluntarily leaves the Contractor's payroll prior to working three years after returning to active work, the employee will be required to pay back the salary continuation and benefit costs on a prorated schedule based on the amount of time they have been back on the contractor's payroll.
- g) No educational assistance, travel or relocation expenses will be paid to employees on these leaves of absence with pay.

D. Professional Fees, Dues, Licenses, and Certifications

The costs of required licenses, fees, and similar costs to certify and maintain employee qualifications to perform work under the contract are allowable. The Contractor will closely manage and control the number of licenses/fees to limit reimbursed costs to provide a sufficient number of qualified employees to reasonably perform the affected work under the contract.

E. Employee Recognition and Memberships

The costs of employee recognition programs and organizational and individuals memberships are allowable based on a budget formula not to exceed 1/4 of 1% of base payroll on September 30 of the prior fiscal year. Program costs include the following:

1. Company service awards for achieving service milestones consistent with the corporate service awards program.
2. Safety awards and recognition to promote health and safety.
3. Awards, recognition, and celebrations for participating in management initiatives, special achievements, retirement, and similar activities to the extent that they are reasonable and consistent with industry practice.
4. The costs of organization and employee memberships in trade, business, and technical organizations necessary for effective performance of work under the contract provided they are reasonable and do not constitute payments for, or in support of, partisan and political (lobbying) activity.
5. Additionally, an amount not to exceed \$150,000 will be utilized to implement a safety awareness rewards program for non-represented personnel to provide balance and to further extend the safety program.

F. Patent Awards

Cash Awards of \$500 may be made to each inventor (or each co inventor) for each invention filed in the U.S. Patent and Trademark Office, which benefit the objectives of the Contractor and DOE/NNSA.

G. Personnel Temporarily Assigned to Contractor Work

The cost associated with Corporation employees not employed under the Contract, borrowed for incidental work under this Contract, is reimbursable. Reimbursement for the time such employees work under this Contract will be allowable in accordance with the employee's regular work location's government-approved operating disclosed costing practices. Time worked under this Contract for such borrowed employees will include the time spent by the employee's enroute to and returning from the worksite on the first and last day of such work. Travel cost of such borrowed personnel will be allowed in accordance with the travel policy which are contained elsewhere in this Attachment A. Upon request of the Contracting Officer, a report of corporate assignments to the Y-12 Plant will be provided.

H. Personnel Loaned From Contract Work

The Contractor may loan, at no cost to the government, individuals working under this contract to other operations as long as it does not interfere with the performance of contract work. Each loan arrangement will be reviewed to assure no conflict of interest and will be approved by the cognizant BWXT Y-12 Contracts Manager. A cumulative report showing all employees loaned, along with the total days loaned and services provided, will be submitted to the DOE/NNSA annually.

I. Personnel Support Activities

The Contractor will be reimbursed for costs of activities incidental to the promotion of morale, welfare, health, and safety of employees, such as employee publications; health and first aid clinics; net costs of in-plant food services (operated on a break-even basis); employees time to promote employee participation in Blood Drives, U.S. Savings Bonds and United Fund campaigns; and other similar activities which may be sanctioned by the Contractor.

J. Participation in Association Activities

Cost incurred as a result of participation in the activities of technical, professional, and business methods associations will be allowed, as long as reasonable and necessary for the performance of effective work under the contract.

K. Business Expense Program

The following expenses to the extent reasonable and which contribute to the effectiveness of the Contractor's work under the contract will be allowable:

1. Booklets and pamphlets describing the capabilities of the Contractor, e.g., operational, financial, personnel, etc.
2. Cost of meetings, including cost associated with activities such as labor negotiations, recruiting, etc.

L. Employee Assistance Program (EAP)

The Contractor will provide for an Employee Assistance Program consistent with the Drug Free Workplace Act of 1988. This benefit will be administered in accordance with the contract between the contractor and the EAP vendor. Periodic internal reviews will be conducted to assess cost/benefit of program delivery.

M. Travel and Relocation

1. The Contractor may pay transportation, lodging, meals, incidental, relocation, and other expenses for employees or other persons required to travel or move in conjunction with the performance of work under this contract. Allowable costs for travel and relocation include costs according to applicable provisions of the FAR and DEAR, the Federal Travel Regulations, and the Internal Revenue Service auto allowance. The Contractor may deviate in specific instances where it is determined to be economically advantageous to the DOE/NNSA and to the extent such deviations conform to pertinent regulations and law. The Contractor will maintain records based on its determinations to deviate in specific instances sufficient for audit review. When the Contractor requires employees to work at locations of significant distance from their regular assignment, on a temporary or permanent basis, geographic pay allowances may be appropriate. The intent is to keep employee's compensation and standards of living reasonably whole so that they suffer neither a significant financial loss nor gain because of the assignment.
2. Relocation costs are those costs incident to (1) the permanent change of duty station of an existing employee and (2) the recruitment of a new employee.
3. Costs incurred in the recruitment of personnel consistent with applicable provisions of the DEAR and FAR and Federal Travel Regulations are reimbursable.
4. Relocation Allowances & FAR/FTR Applicability Matrix applicable to new employees and transfers.

Allowance Category	FTR Chapter 302	FAR 31.205-35
House Hunting	X	
Shipment of Household Goods	X	
Shipment of Privately Owned Vehicles	X	
Temporary Change of Station	X	
Home Sale		X
Home Purchase	X	
Duplicate Housing		X
Miscellaneous Allowance		X
Mortgage Differential		X
Relocation Income Tax		X
Spousal Employment Assistance		X
Use of Relocation Service Companies	X	
-Home Sale	X	
-Home Marketing	X	
-Home Finding	X	
-Home Marketing Incentive	X	

Table 12. Relocation Allowances & FAR/FTR Applicability Matrix

N. Key Personnel

DOE/NNSA approval must be obtained for any changes or additions to the key personnel positions listed in Section J Attachment D, consistent with the requirements detailed in clause I.105 (DEAR 952.215-70) of this contract.