

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

SECTION B: SUPPLIES OR SERVICES AND PRICES/COSTS.....	1
<i>B-1 SERVICES BEING ACQUIRED.....</i>	<i>1</i>
<i>CLIN 0001 TRANSITION PERIOD.....</i>	<i>1</i>
<i>CLIN 0002 MANAGEMENT AND OPERATION (M&O) OF THE Y-12 AND PX SITES.....</i>	<i>1</i>
<i>CLIN 0002A BASE PERIOD (YEARS 1-5).....</i>	<i>1</i>
<i>CLIN 0002B OPTION PERIOD 1.....</i>	<i>1</i>
<i>CLIN 0002C OPTION PERIOD 2.....</i>	<i>1</i>
<i>CLIN 0002D OPTION PERIOD 3.....</i>	<i>1</i>
<i>CLIN 0002E OPTION PERIOD 4.....</i>	<i>1</i>
<i>CLIN 0002F OPTION PERIOD 5.....</i>	<i>2</i>
<i>CLIN 0003 STRATEGIC PARTNERSHIP PROJECTS.....</i>	<i>2</i>
<i>CLIN 0004 CAPITAL CONSTRUCTION PROJECTS.....</i>	<i>2</i>
<i>B-2 CONTRACT TYPE AND VALUE.....</i>	<i>3</i>
<i>B-3 CONTRACT FEE STRUCTURES.....</i>	<i>5</i>
<i>B-4 KEY PERSONNEL REPLACEMENT.....</i>	<i>7</i>
<i>B-5 OBLIGATION OF FUNDS.....</i>	<i>8</i>
<i>B-6 AVAILABILITY OF APPROPRIATED FUNDS.....</i>	<i>8</i>
<i>B-7 PERFORMANCE EVALUATION.....</i>	<i>8</i>
<i>B-8 CAPITAL CONSTRUCTION PROJECTS FEE PLAN.....</i>	<i>8</i>
SECTION C: DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK	10
<i>C-1 STATEMENT OF WORK.....</i>	<i>10</i>
SECTION D: PACKAGING AND MARKING.....	11
<i>D-1 PACKAGING AND MARKING.....</i>	<i>11</i>
<i>D-2 SECURITY.....</i>	<i>11</i>
SECTION E: INSPECTION AND ACCEPTANCE.....	12
<i>E-1 FAR 52.246-5 INSPECTION OF SERVICES – COST-REIMBURSEMENT (APR 1984).....</i>	<i>12</i>
<i>E-2 ACCEPTANCE.....</i>	<i>12</i>
SECTION F: DELIVERIES OR PERFORMANCE.....	14
<i>F-1 FAR 52.242-15 STOP-WORK ORDER (AUG 1989) ALTERNATE I (APR 1984).....</i>	<i>14</i>
<i>F-2 STOP WORK IN EVENT OF IMMINENT DANGER.....</i>	<i>15</i>
<i>F-3 PERIOD OF PERFORMANCE.....</i>	<i>15</i>
<i>F-4 PRINCIPAL PLACE OF PERFORMANCE.....</i>	<i>16</i>
<i>F-5 EVALUATION OF PERFORMANCE AND EXERCISE OF OPTION(S).....</i>	<i>16</i>
<i>F-6 DELIVERABLES.....</i>	<i>16</i>
<i>F-7 DELIVERABLES DURING TRANSITION.....</i>	<i>16</i>
SECTION G: CONTRACT ADMINISTRATION DATA.....	20
<i>G-1 GOVERNMENT CONTACTS & CORRESPONDENCE PROCEDURES.....</i>	<i>20</i>
<i>G-2 CONTRACTING OFFICER AUTHORITY.....</i>	<i>21</i>
<i>G-3 CONTRACTING OFFICER'S REPRESENTATIVE.....</i>	<i>22</i>
<i>G-4 CONTRACTOR CONTACT.....</i>	<i>22</i>
<i>G-5 PERFORMANCE GUARANTEE(S).....</i>	<i>22</i>

G-6	RECOGNITION OF PERFORMING ENTITY.....	23
G-7	RESPONSIBLE CORPORATE OFFICIAL.....	23
G-8	INVOICING FOR TRANSITION PRICE	23
SECTION H: SPECIAL CONTRACT REQUIREMENTS.....		24
H-1	CONTINUATION OF PREDECESSOR CONTRACTOR'S OBLIGATIONS AND TRANSFER OF OBLIGATIONS TO SUCCESSOR CONTRACTOR.....	24
H-2	SMALL BUSINESS PARTICIPATION.....	24
H-3	REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFEROR.....	25
H-4	ORGANIZATIONAL CONFLICT OF INTEREST (OCI)	25
H-5	LOBBYING RESTRICTION.....	25
H-6	FLOWDOWN OF RIGHTS TO PROPOSAL DATA	25
H-7	PRIVACY ACT RECORDS	25
H-8	TRANSITION	26
H-9	CONFERENCE MANAGEMENT.....	26
H-10	FEDERAL FLEET MANAGEMENT SYSTEM.....	28
H-11	ACCOUNTABILITY.....	28
H-12	NNSA OVERSIGHT.....	29
H-13	CLAUSE UPDATES AND IMPLEMENTATION SECTION TO FAR CLAUSES.....	29
H-14	CONFIDENTIALITY OF INFORMATION.....	30
H-15	NNSA PRIME CONTRACTS.....	31
H-16	INSTRUCTIONS FOR UPDATING FOREIGN OWNERSHIP, CONTROL OR INFLUENCE (FOCI) INFORMATION (JUN 2011).....	32
H-17	PARENT OVERSIGHT PLAN.....	33
H-18	CONSTRUCTION PROJECTS	33
H-19	LABORATORY, PLANT, AND SITE STRATEGIC PLANNING GUIDANCE	35
H-20	ORGANIZATIONAL CULTURE CHANGE.....	35
H-21	MANAGEMENT AND OPERATING CONTRACTOR (M&O) SUBCONTRACT REPORTING (NOV 2017).....	35
H-22	THIRD PARTIES	36
H-23	STANDARDS MANAGEMENT.....	36
H-24	UTILIZATION OF PARENT CORPORATE SYSTEMS.....	37
H-25	PERFORMANCE BASED MANAGEMENT SYSTEM.....	37
H-26	CONTRACTOR PERFORMANCE EVALUATIONS.....	37
H-27	ADVANCE UNDERSTANDING REGARDING ADDITIONAL ITEMS OF ALLOWABLE AND UNALLOWABLE COSTS AND OTHER MATTERS.....	37
H-28	ALTERNATIVE DISPUTE RESOLUTION	38
H-29	COMMUNITY COMMITMENT PLAN	39
H-30	DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM PRIORITY RATING	39
H-31	COMBATING RACE AND SEX STEREOTYPING.....	41
H-32	STRATEGIC PURCHASING	42

SECTION B: SUPPLIES OR SERVICES AND PRICES/COSTS

B-1 SERVICES BEING ACQUIRED

CLIN 0001 TRANSITION PERIOD

In accordance with the terms and conditions of this Contract, the Contractor shall provide the personnel, equipment, materials, supplies, and services (except as may be furnished by the Government) and otherwise do all things necessary for, or incidental to, the efficient, effective, and safe transition of Management & Operating services at the Y-12 National Security Complex (Y-12) in Oak Ridge, TN, and the Pantex Plant (PX) near Amarillo, TX, (hereinafter referred to as “the Sites”). All relocation related costs/expenses for the proposed management team shall be funded only by the FFP transition CLIN regardless of when those costs/expenses are incurred. The transition period is a four-month period of performance with a firm-fixed-price of **\$TBD**.

CLIN 0002 MANAGEMENT AND OPERATION (M&O) OF THE Y-12 AND PX SITES

In accordance with the terms and conditions of this Contract, the Contractor shall provide the personnel, equipment, materials, supplies, and services (except as may be furnished by the Government) and otherwise do all things necessary for, or incidental to, the efficient, effective, and safe management and operation of the Sites as provided in the Statement of Work.

CLIN 0002A BASE PERIOD (YEARS 1-5)

The Base Period is five years of performance on a cost-plus-award fee basis.

CLIN 0002B OPTION PERIOD 1

Option Period 1 is one year of performance on a cost-plus-award fee basis.

CLIN 0002C OPTION PERIOD 2

Option Period 2 is one year of performance on a cost-plus-award fee basis.

CLIN 0002D OPTION PERIOD 3

Option Period 3 is one year of performance on a cost-plus-award fee basis.

CLIN 0002E OPTION PERIOD 4

Option Period 4 is one year of performance on a cost-plus-award fee basis.

CLIN 0002F OPTION PERIOD 5

Option Period 5 is one year of performance on a cost-plus-award fee basis.

CLIN 0003 STRATEGIC PARTNERSHIP PROJECTS

The Contractor shall, in accordance with Section J, Appendix A, Chapter II Work Scope Structure, paragraph 1.3 Strategic Partnership Projects (SPP), 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 incidental to, the effective, efficient, and safe performance of all SPP efforts as directed by the Contracting Officer.

CLIN 0003A BASE PERIOD

The Base Period is five years of performance on a cost-plus-fixed-fee basis.

CLIN 0003B OPTION PERIOD 1

Option Period 1 is one year of performance on a cost-plus-fixed-fee basis.

CLIN 0003C OPTION PERIOD 2

Option Period 2 is one year of performance on a cost-plus-fixed-fee basis.

CLIN 0003D OPTION PERIOD 3

Option Period 3 is one year of performance on a cost-plus-fixed-fee basis.

CLIN 0003E OPTION PERIOD 4

Option Period 4 is one year of performance on a cost-plus-fixed-fee basis.

CLIN 0003F OPTION PERIOD 5

Option Period 5 is one year of performance on a cost-plus-fixed-fee basis.

CLIN 0004 CAPITAL CONSTRUCTION PROJECTS

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 incidental to, the efficient, effective, and safe management and/or performance of Capital Construction Projects (as defined in Clause H-18 of this Contract).

Sub-CLIN 0004A Lithium Processing Facility

- (a) This Sub-CLIN 0004A is for the Lithium Processing Facility at Y-12 utilizing a Cost-Plus-Incentive-Fee (CPIF) pricing structure. The CPIF price for this project is **\$TBD** (to be negotiated after award).
- (b) The Period of Performance for Sub-CLIN 0004A is **TBD**.

Sub-CLIN 0004B High Explosive Science and Engineering Facility

- (a) This Sub-CLIN 0004B is for the High Explosive Science and Engineering Facility at Pantex utilizing a Firm-Fixed-Price (FFP) pricing structure. The FFP for this project is **\$TBD** (to be negotiated after award).
- (b) The Period of Performance for Sub-CLIN 0004B is **TBD**.

B-2 CONTRACT TYPE AND VALUE

- (a) This is a Performance Based Contract for the Management and Operation (M&O) of DOE/NNSA facilities governed by FAR 17.6, DEAR 917.6, and DEAR 970. It is an M&O cost-reimbursement Contract with terms for an Award Fee (AF) for CLIN 0002 and terms for a Fixed Fee for CLIN 0003. The contract types and values under CLIN 0004 shall be established as each Sub-CLIN is awarded under CLIN 0004.
- (b) Transition is Firm-Fixed-Price (FFP) for CLIN 0001.
- (c) The CLIN 0002 annual available award fee (AF) shall be established unilaterally by NNSA prior to commencement of each applicable contract period. The AF is the product of the fee base multiplied by **TBD%***. The fee base shall be calculated using the following formula:

$$((\text{CLIN 0002 Annual Controlled Baseline Attributable to Current Year Funding}) * (1 - 0.13)) / (1 + \text{TBD}\%*)$$

****Proposed Award Fee% of successful Offeror will be inserted at contract award.***

The 0.13 adjustment to the numerator of the fee base formula represents fee base exclusions prescribed by DEAR 970.1504-1-7. This exclusion rate is not subject to future revision based on actual cost experience and is fixed for the life of the contract.

Uncosted funding balances from legacy management and operating contracts used to fund current work scope under this contract shall not result in any additional fee entitlement. Pursuant to Section L-12 of the Request for Proposal, Offerors were to factor consideration for potential work scope funded by carry over funding into their proposed fee percentages. Therefore the Contractor shall not be entitled to any equitable adjustment in available fee during performance for work scope funded by carry over

funding from predecessor contracts. Similarly, carry over funding is excluded from consideration in establishing the annual available AF as shown in the formula above.

The AF will be adjusted unilaterally by NNSA once each contract period at the time the Annual Controlled Baseline (ACB) attributable to current year funding is updated to reflect the enacted budget. The adjustment will be made using the fee base formula prescribed above. No other adjustment shall be made to the AF unless the approved September 30th ACB reflects a plus or minus 10 percent change from the ACB based on the enacted budget. The 10 percent change threshold shall apply only to scope changes and not changes caused by cost overruns, changes in the cost of labor, changes in the cost of materials, or other cost changes without a direct nexus to NNSA-approved changes in scope. Table 1 below will be updated through unilateral modifications as applicable.

Table 1 - CLIN 0002 - Management and Operation of the Y-12 and PX Sites

Contract Period	Initial Fee Base	Updated Fee Base	Available Award Fee	Earned Award Fee
Base Period (Year 1)	\$TBD	\$TBD	\$TBD	\$TBD
Base Period (Year 2)	\$TBD	\$TBD	\$TBD	\$TBD
Base Period (Year 3)	\$TBD	\$TBD	\$TBD	\$TBD
Base Period (Year 4)	\$TBD	\$TBD	\$TBD	\$TBD
Base Period (Year 5)	\$TBD	\$TBD	\$TBD	\$TBD
Option Periods				
Option Period 1 (if exercised)	\$TBD	\$TBD	\$TBD	\$TBD
Option Period 2 (if exercised)	\$TBD	\$TBD	\$TBD	\$TBD
Option Period 3 (if exercised)	\$TBD	\$TBD	\$TBD	\$TBD
Option Period 4 (if exercised)	\$TBD	\$TBD	\$TBD	\$TBD
Option Period 5 (if exercised)	\$TBD	\$TBD	\$TBD	\$TBD
Total	\$TBD	\$TBD	\$TBD	\$TBD

- (d) The CLIN 0003 (Strategic Partnership Projects (SPP) -- Section J, Appendix A Statement of Work) annual fixed fee (FF) shall be established unilaterally by NNSA prior to commencement of each applicable contract period. The FF is the product of the fee base multiplied by **TBD%***. The fee base shall be calculated using the following formula:

$$((\text{CLIN 0003 Estimated Budget}) \times (1 - 0.13)) / (1 + \text{TBD}\%*)$$

****Proposed Fixed Fee% of successful Offeror will be inserted at contract award.***

The 0.13 adjustment to the numerator of the fee base formula represents fee base exclusions prescribed by DEAR 970.1504-1-7. This exclusion rate is not subject to future revision based on actual cost experience and is fixed for the life of the contract.

Once established, CLIN 0003 FF shall not be subject to revision based on actual cost or budget experience. Table 1 below will be updated through unilateral modifications as applicable.

Table 2 - CLIN 0003 - Strategic Partnership Projects

Contract Period	Fee Base	Fixed Fee	Total
Base Period (Year 1)	\$TBD	\$TBD	\$TBD
Base Period (Year 2)	\$TBD	\$TBD	\$TBD
Base Period (Year 3)	\$TBD	\$TBD	\$TBD
Base Period (Year 4)	\$TBD	\$TBD	\$TBD
Base Period (Year 5)	\$TBD	\$TBD	\$TBD
Option Periods			
Option Period 1 (if exercised)	\$TBD	\$TBD	\$TBD
Option Period 2 (if exercised)	\$TBD	\$TBD	\$TBD
Option Period 3 (if exercised)	\$TBD	\$TBD	\$TBD
Option Period 4 (if exercised)	\$TBD	\$TBD	\$TBD
Option Period 5 (if exercised)	<u>\$TBD</u>	<u>\$TBD</u>	<u>\$TBD</u>
Total	\$TBD	\$TBD	\$TBD

- (e) Fee Structures for CLIN 0004 Capital Construction Projects. The fee/pricing structure(s), and associated terms and conditions established under CLIN 0004 will be determined when each Sub-CLIN is awarded.
- (f) The AF percentage for CLIN 0002, and the FF percentage for CLIN 0003 will not be negotiated on an annual basis and are established at Contract award.

B-3 CONTRACT FEE STRUCTURES

All team members shall share in all the fee pools, whether they are subcontractors or members of a joint-venture and/or other teaming arrangement as defined in FAR 9.601. Separate, additional subcontractor fee for teaming partners shall not be considered an

allowable cost under the contract. If a subcontractor, supplier, or lower-tier subcontractor is a wholly-owned by, majority-owned by, or an affiliate of any team member, any fee or profit earned by such entity shall not be considered an allowable cost under this contract unless otherwise approved by the Contracting Officer. The fee restriction above does not apply to members of the Contractor's team that are:

- (i) small businesses;
- (ii) Protégé firms as part of an approved Mentor-Protégé relationship under the Clause entitled, Mentor-Protégé Program;
- (iii) a competitively awarded firm-fixed price or firm-fixed unit price subcontract; or
- (iv) competitively awarded subcontracts for commercial items as defined in FAR Subpart 2.1.

(a) CLIN 0001: Transition is Firm-Fixed-Price and there is no fee structure.

(b) CLIN 0002: Management and Operation of the Sites - Award Fee (AF)

The available AF for each performance period of the Base Period and each Option Period, if exercised by DOE/NNSA, are shown in the tables in Clause B-2, *Contract Type and Value*, paragraph (c), Table 1. The Contractor shall be eligible to earn AF of up to the amount specified for each performance period of the Base Period (CLIN 0002A) and each Option Period, if exercised by DOE/NNSA, in accordance with paragraph (e)(1) of this clause.

(c) CLIN 0003: Strategic Partnership Projects (SPP) - Fixed Fee (FF)

The FF for SPP for the Base Period and each Option Period, if exercised by DOE/NNSA, are shown in Clause B-2, *Contract Type and Value*, paragraph (d), Table 2.

(d) CLIN 0004: Capital Construction Projects

The fee/price structure(s), and associated terms and conditions established under CLIN 0004 will be determined when each Sub-CLIN is awarded.

(e) Payment of Fee

(1) CLIN 0002: Award Fee (AF)

- (i) AF Determination. The amount of AF earned will be based on the Contractor's performance as evaluated against the criteria established in the Performance Evaluation and Measurement Plan described in B-7 *Performance Evaluation*. The amount of AF earned by the Contractor will be unilaterally determined by NNSA's Fee Determining Official (FDO), who will document their AF determination in a Fee Determination Letter.

- (ii) Contractor Notification. Each year, no later than December 15 (or the first business day thereafter, if December 15 is a Saturday, Sunday, or Federal Holiday), the Contracting Officer will notify the Contractor of the amount of AF earned and provide the Fee Determination Letter.
 - (iii) AF Delay. If the Contracting Officer does not notify the Contractor of the amount of AF earned by the date specified in (ii), the Contractor shall be entitled to interest on the AF earned, following the procedures outlined at 5 C.F.R. § 1315.10. For purposes of this calculation, the payment due date is considered to be the day after the date specified in (ii).
 - (iv) No Allocation to Future Periods. AF not earned during the evaluation period shall not be allocated to future evaluation periods.
 - (v) No Draw Down. The Contractor is not authorized to draw down or provisionally bill any portion of AF prior to receipt of the FDO's Fee Determination Letter and authorization from the Contracting Officer via a contract modification.
- (2) CLIN 0003: Fixed Fee (FF)

The FF for the Base Period of the Contract (and option periods to the extent exercised) for CLIN 0003 SPP 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.

(3) CLIN 0004: Capital Construction Projects

Cost/Price and cost/price structure (such as Firm Fixed Price, Cost-Plus-Incentive-Fee, or other price structures as agreed) and any applicable special terms and conditions shall be identified for each Capital Construction Project covered by each Sub-CLIN to CLIN 0004.

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 in accordance with the Contract's Section I clause entitled "DEAR 970.5203-3, *Contractor's Organization (DEC 2000) (Class Deviation)*, paragraph (c)"), beginning on the first day of the Contract Base Period through the first three years of the Base Period under the Contract, or within three years of being placed in the position, the Contractor shall forfeit three years of the DOE/NNSA reimbursable annual salary and relocation costs as well as associated burdens, for that position for each occurrence. Such forfeited costs shall be considered unallowable costs under this contract, and shall be

considered a debt due to the Government within 30 days of the effective date any Key Personnel is removed, replaced, or diverted from the key position.

B-5 OBLIGATION OF FUNDS

Pursuant to this Contract's Section I Clause entitled "DEAR 970.5232-4, *Obligation of Funds*," the total amount obligated by the Government with respect to this Contract is identified in the latest executed funding modification.

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

Performance Evaluation and Measurement Plan (PEMP). A PEMP will be developed by NNSA for this Contract, which will document strategic performance expectations each year and the process by which the Contractor's performance will be evaluated. The Parties will strive to reach mutual agreement on the performance measures and will work together to establish the PEMP. In the event the parties cannot come to agreement, NNSA reserves the right to make the final decision and issue the PEMP unilaterally. The PEMP once finalized, whether bilaterally or unilaterally, will be incorporated into the Contract at Section J, Appendix C, by contract modification. The Contracting Officer may revise the PEMP bilaterally or unilaterally during an evaluation period of performance and will incorporate any revisions through a contract modification. No changes will be made with less than 60 days remaining in the evaluation period. The Contractor will submit a self-assessment for each corresponding interim and final evaluation period under the PEMP.

Evaluation of Capital Construction Projects under CLIN 0004 will be evaluated independent of the PEMP.

B-8 CAPITAL CONSTRUCTION PROJECTS FEE PLAN

A Capital Construction Project Fee Plan will be developed, with Contractor input, for each fee bearing Sub-CLIN awarded under CLIN 0004 and incorporated at Section J, Appendix L, *Capital Construction Fee Plan*. Although the detail and content incorporated into each Fee Plan may vary based on the cost and fee structure for a given Sub-CLIN, each Sub-CLIN Fee Plan shall document the process by which the Contractor's performance will be evaluated; the amount of available fee and, when applicable, the allocation of fee to mutually agreeable project cost and/or schedule milestones; the conditions precedent to the

submission of fee payment requests by the Contractor; the Government's fee determination process; and any provisions or conditions that would result in an adjustment to otherwise earned fee. The Parties will work collaboratively to establish mutually acceptable Fee Plans. In the event the Parties cannot come to agreement on the Fee Plan for any Sub-CLIN, the DOE/NNSA reserves the unilateral right to make the final decision, including changes thereto, on all Sub-CLIN contract structures, fee structures, performance objectives, goals, and measures and the methodology used to evaluate Contractor performance.

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

D-1 PACKAGING AND MARKING

Packaging and marking of items to be delivered shall be in accordance with work authorization requirements or other written direction of the Contracting Officer or the Contracting Officer's Representative (COR).

D-2 SECURITY

The Contractor shall comply with the security requirements for packaging, marking, mailing, and shipping classified materials (if any) as prescribed by applicable U.S. Department of Energy safeguards and security directives.

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

Inspection of all activities and acceptance for all work and effort under this Contract shall be accomplished by the Contracting Officer or other duly authorized representative. If the Government performs inspection or evaluation on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all

reasonable facilities and assistance for the safe and convenient performance of these duties. Only the Contracting Officer is authorized to accept work which does not comply with the Contract requirements (including requirements of Work Authorizations) or to otherwise waive any applicable requirements. Acceptance of nonconforming work by any other individual shall not constitute acceptance on behalf of the Government.

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 STOP WORK IN EVENT OF IMMINENT DANGER

The Contractor shall immediately cease any activity that is imminently dangerous to the life or health of the workers, the public, or the environment. In the event of imminent danger, any Federal or Contractor employee is authorized to instruct the Contractor to 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 F-1, FAR 52.242-15, Stop-Work Order, Alternate I (APR 1984). Employees of the Contractor shall be apprised of their right to stop work pursuant to this clause. The Contractor shall include this clause in all subcontracts to be performed at the sites. In the event of a security incident that involves an imminent threat to the facility, the Contractor is expected to perform their security duties and continue until they eliminate the threat, at which point they will reconstitute and resume normal security operations subject to this clause.

F-3 PERIOD OF PERFORMANCE

The period of performance of this Contract shall expire five years after completion of the Transition Period, unless sooner reduced, terminated or extended in accordance with this Contract. The period of performance may be extended in increments, or portions thereof, for up to an additional five years of performance. The Contract's maximum period of performance, including the Transition period and Option Period(s), if exercised, shall not exceed 10 years and four months. The period of performance of this Contract consists of:

- (1) Transition Period: A period of four months beginning on the Notice to Proceed date issued by the Contracting Officer.
- (2) Base Period: A period of five years beginning after completion of the Transition Period and issuance of Authorization to Begin Performance by the Contracting Officer.
- (3) Option Period(s): Beginning after completion of the Base Period, Five (5) one year options for a possible total of 5 option years, if exercised:

Option Period 1: If exercised, one year from the end of the Base Period.

Option Period 2: If exercised, one year from the end of Option Period 1.

Option Period 3: If exercised, one year from the end of Option Period 2.

Option Period 4: If exercised, one year from the end of Option Period 3.

Option Period 5: If exercised, one year from the end of Option Period 4.

F-4 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, and the Pantex Plant near Amarillo, Texas.

F-5 EVALUATION OF PERFORMANCE AND EXERCISE OF OPTION(S)

The decision to extend this Contract via the exercise of an option will be a unilateral decision made by NNSA. Exercise of any option shall be in accordance with Section I clause FAR 52.217-9, *Option to Extend the Term of the Contract*. Other factors considered are described at FAR Part 17.207, *Exercise of Options*, which must be met before any option can be exercised. At a minimum, the NNSA will consider the following in determining whether to extend the Contract:

- (1) The Contractor's overall performance, taking into consideration performance evaluations pursuant to the Contractor Performance Assessment Reporting System (CPARS); and
- (2) The considerations under DEAR 970.1706-1(b) for exercising options under M&O contracts.

F-6 DELIVERABLES

The primary deliverables under this Contract are described in Section J, Appendix A, *Statement of Work*. 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

In addition to the transition deliverables identified elsewhere in this Contract, the following deliverables shall be submitted during the Transition Period:

(a) Transition Plan

The Contractor shall provide, for approval by the Contracting Officer, a Transition Plan within 10 calendar days after the start of the Transition Period. The Transition Period is specified in Section F-3, *Period of Performance*. Upon written approval by the Contracting Officer, the Transition Plan, shall be incorporated into Section J, Appendix J, *Transition Plan*.

(b) 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 Period of the contract within 10 calendar days after the start of the Transition Period. The Contracting Officer will review Key Personnel compensation costs for the first year of the Base Period. Only those proposed Key Personnel compensation costs approved by the Contracting Officer will be eligible for reimbursement under the Contract. 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. Any bonuses paid to Key Personnel are considered unallowable costs (see H-27(b)).
- (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 \$525,000 per fiscal year, adjusted annually based on the Employment Cost Index (ECI), as determined by Section 702(a)(1) of the Bipartisan Budget Act of 2013, P.L. 113-6 (December 26, 2013), codified at 41 U.S.C. § 4304(a)(16).

(c) Conflict of Interest Compliance and Management Plan

The Contractor shall submit a Conflict of Interest Compliance and Management Plan (Plan) to the Contracting Officer for approval within 60 days after the start of the Transition Period. The Plan shall address the Contractor's approach for adhering to Section I clause DEAR 952.209-72, *Organizational Conflicts of Interest* (AUG 2009), Alternate I, and describe its procedures for aggressively self-identifying and resolving both organizational and employee conflicts of interest. The Plan shall include the information required by DEAR 970.5227-3, *Technology Transfer Mission Alternate II* (Dec 2000) (PROPOSED DEVIATION) (d). The overall purpose of the 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. Within 30 days of submission, the Contracting Officer will approve or reject the Plan.

(d) Community Commitment Plan

The Contractor shall deliver within 120 calendar days after the start of the Transition Period of the Contract, a Community Commitment Plan that has been discussed between the Contractor and the community in accordance with H-29.

(e) Diversity Plan

The Contractor shall submit a Diversity Plan to the Contracting Officer for approval within 90 days after the start of the Transition Period. The Diversity Plan shall be consistent with the intent of DEAR 970.5226-1, *Diversity Plan*. Section J, Appendix M *Diversity Plan Guidance* provides guidance to assist the Contractor in understanding the information being sought by the DOE/NNSA for each of the diversity elements within the DEAR clause.

(f) Interface Management Plan

Section J, Appendix A, *Statement of Work*, Chapter I, Section 4.8, requires that the Contractor provide an “Interface Management Plan” for Contracting Officer’s approval within 90 calendar days after the start of the Transition Period. Upon written approval by the Contracting Officer, the Interface Management Plan, shall be incorporated into Section J, Appendix K, *Interface Management Plan*.

(g) UPF Interface Management Plan

Section J, Appendix A, *Statement of Work*, Chapter I, Section 4.8, requires that the Contractor provide a “UPF Interface Management Plan” for Contracting Officer’s approval within 30 calendar days after the start of the Transition Period. Upon written approval by the Contracting Officer, the UPF Interface Management Plan, will be incorporated into Section J, Appendix Q, *UPF Interface Management Plan*.

(h) Cyber Security and Information Technology (IT) Management and Operations Plan

The Contractor shall deliver within 120 calendar days after the start of the Transition Period, an Cyber Security and IT Management and Operations Plan detailing the strategy for implementing and maintaining the lifecycle of site IT and Operational Technologies to support NNSA mission needs while best incorporating cybersecurity protections in a manner that facilitates and safeguards Government technology capabilities in accordance with contractual requirements. Upon written approval by the Contracting Officer, the Plan may be incorporated into Section J of the contract as a separate Appendix

(i) Cost Savings Deliverables

The Cost Savings Program requirements as described in clause I-25 DEAR 970.5215-4, *Cost Reduction*; Section J, Appendix A, *Statement of Work*; Section J Appendix N, *NNSA Cost Savings Program*; and elsewhere in the contract, requires the development of multiple procedures and submissions. Within 90 calendar days of the beginning of Contract Transition, the Contractor shall provide for the Contracting Officer's approval:

- (1) The Contractor's approach to identifying and pursuing Net Savings as defined in the clause at I-25 DEAR 970.5215-4, *Cost Reduction*. This approach may be incorporated in whole or in part into Appendix N to document expectations and commitments regarding the conduct of the Cost Savings Program. The Contractor may, but is not required to, include annual or aggregate savings targets in its approach submission.
- (2) The Contractor's draft written procedures for development and submission to the Contracting Officer for approval of Cost Reduction Proposals (CRP), including a formal change control process and approval thresholds.
- (3) The Contractor's draft written procedures for development and submission to the Contracting Officer of the annual Cost Savings Validation Report (Validation Report).

Additionally, within 180 days after the start of the Transition Period the Contractor shall provide for Contracting Officer approval the final aforementioned written procedures for the CRP and Validation Report.

(j) Annual Controlled Baseline

The Annual Controlled Baseline (ACB) requirements as described in Section J Appendix A, *Statement of Work*, Chapter I section 3.2 and elsewhere in the contract require the development and submission of various deliverables related to the ACB.

- (1) Within 90 calendar days after the start of the Transition Period, the Contractor shall provide for the Contracting Officer's approval the Contractor's draft written procedure for development and submission of the Annual Controlled Baseline, including a formal change control processes and approval thresholds.
 - (2) Within 180 calendar after the start of the Transition Period, the Contractor shall provide for Contracting Officer approval the final written procedure for development and submission of the Annual Controlled Baseline.
- (k) The Contractor shall submit a Cost Plus Incentive Fee proposal for Sub-CLIN 0004A Lithium Procession Facility within 120 days after the start of the Transition Period.
- (l) The Contractor shall submit a Firm-Fixed-Price proposal for the High Explosive Science and Engineering Facility within 30 days after the start of the Transition Period.

SECTION G: CONTRACT ADMINISTRATION DATA

G-1 GOVERNMENT CONTACTS & CORRESPONDENCE PROCEDURES

- (a) The NNSA Field Office Manager, Nuclear Production Office (NPO), is the Contractor's primary point of contact for all operational and policy matters, except as identified in paragraphs (b) through (f) below, regarding performance of this Contract under CLIN 0001, 0002, and 0003. The NPO Administrative Contracting Officer (ACO) is the Contractor's primary point of contact for all contractual matters related to CLIN 0001, 0002, and 0003. The NPO Field Office Manager and 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

- (b) The Project Management Office (PMO) Director is responsible for oversight and management of all capital projects conducted at Y-12. The Construction Contracting Officer (CCO) at Y-12 is primarily responsible for all contractual and administrative matters related to CLIN 0004. The cognizant CCO for the administration of each Sub-CLIN will be identified therein.. The PMO Director, and CCO can be reached at:

Project Management Office Director
U.S. Department of Energy/NNSA
UPF Project Office (UPO)
CSB Bldg. 9127
MS: 8042
Oak Ridge, TN 37830

Construction Contracting Officer
U.S. Department of Energy/NNSA
UPF Project Office (UPO)
CSB Bldg. 9127
MS: 8042
Oak Ridge, TN 37830

- (c) The Procuring Contracting Officer (PCO) is responsible for all Contractual actions required to be taken by the Government under the terms of this Contract. The PCO can be reached at:

Procuring Contracting Officer
U.S. Department of Energy/NNSA
M&O Contracting Branch (NA-APM-131)
1000 Independence Avenue, S.W.
Washington, D.C. 20585

- (d) 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:

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

- (e) The Contractor may use the Organizational Property Management Officer as a point of contact for guidance and assistance involving personal property requirements. The Contracting Officer shall be contacted for any matter that 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:

U.S. Department of Energy/National Nuclear Security Administration
Organizational Property Management Officer (OPMO)
Personal Property Albuquerque
P.O. Box 5400
Albuquerque, NM, 87185-5400

- (f) Technical and Administrative Correspondence: Technical and Administrative Correspondence concerning performance of this Contract shall be addressed to the responsible NNSA NPO Contracting Officer's Representative (COR), with an information copy to the Contracting Officer. CORs are listed in Section J, Appendix G.
- (g) Marking: To promote timely and effective administration, correspondence submitted under this Contract shall contain a subject line commencing with the Contract Number, as illustrated:

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

G-2 CONTRACTING OFFICER AUTHORITY

Notwithstanding any of the other clauses of this Contract, a Contracting Officer is the only individual who has the authority on behalf of the Government, among other things, to take the following actions under the Contract:

- (a) Assign additional work within the general scope of the Contract.
- (b) Issue a change in accordance with the clause entitled, *Changes*.
- (c) Change the cost or price of the Contract.
- (d) Change any of the terms, conditions, specifications, or services required by the Contract.
- (e) Accept non-conforming work.
- (f) Waive any requirement of the Contract.

G-3 CONTRACTING OFFICER'S REPRESENTATIVE

Pursuant to the clause at DEAR 952.242-70 entitled, Technical Direction, the Contracting Officer's Representative's official delegation of authority will be provided to the Contractor in writing. This delegation will describe the COR's authorities in detail. However, it is emphasized that only the Contracting Officer has the authority to modify the terms of the Contract, therefore, in no event will any understanding, agreement, modification, change order, or other matter deviating from the terms of the basic Contract between the Contractor and any other person be effective or binding on the Government. When/If, in the opinion of the Contractor, an effort outside the existing scope of the Contract is requested, the Contractor shall promptly notify the Contracting Officer in writing, 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.

G-4 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: *[offeror fill-in]*
 Position: *[offeror fill-in]*
 Company: *[offeror fill-in]*
 Address: *[offeror fill-in]*
 Phone: *[offeror fill-in]*
 E-mail: *[offeror fill-in]*

G-5 PERFORMANCE GUARANTEE(S)

The Contractor is required to be a separate corporate entity organized solely to perform the work under the Contract and which is 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 I, *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-6 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 **TBD**. This entity is comprised of: **TBD**.

- (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-7 RESPONSIBLE CORPORATE OFFICIAL

Notwithstanding G-5, *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: *[offeror fill-in]*
Position: *[offeror fill-in]*
Company: *[offeror fill-in]*
Address: *[offeror fill-in]*
Phone: *[offeror fill-in]*
E-mail: *[offeror fill-in]*

G-8 INVOICING FOR TRANSITION PRICE

- (a) The Contractor shall submit vouchers for Transition electronically through the Oak Ridge Payment Services Team Vendor Inquiry Payment Electronic Reporting System (VIPERS) for payment for work performed under CLIN 0001, *Contract Transition Period*. VIPERS allows vendors to check the payment status of any voucher submitted to the DOE. To obtain access to and use VIPERS, please visit the web page at <https://vipers.doe.gov/>. The Contractor shall contact the Contracting Officer if the Contractor is unable to submit invoices electronically.
- (b) The Contractor shall bill 1/4 of the firm fixed price for the transition period monthly. The Contractor shall invoice for work performed in accordance with Section I clause FAR 52.216-7 and as directed by the Contracting Officer following the procedures at paragraph (a) of this clause. The final invoice shall be submitted within 60 days after the end of transition period.

SECTION H: SPECIAL CONTRACT REQUIREMENTS

H-1 CONTINUATION OF PREDECESSOR CONTRACTOR'S OBLIGATIONS AND TRANSFER OF OBLIGATIONS TO SUCCESSOR CONTRACTOR

- (a) Existing contractual agreements and regulatory obligations entered into under Contract No. DE-NA0001942 will continue during performance of this contract. The Contractor shall assume all existing contractual, commercial, regulatory, and other similar obligations incurred under the predecessor Contract, and shall be fully responsible and accountable under this Contract for the performance of such obligations. Examples of existing obligations include, but are not limited to:
- (1) Subcontracts and purchase orders;
 - (2) Agreements and memoranda of understanding with research organization, universities, and colleges;
 - (3) Strategic Partnership Project Agreements;
 - (4) Collection of unpaid accounts receivables;
 - (5) Real Property Leases, Land Use Permits;
 - (6) Environmental and other permits and licenses;
 - (7) Mutual Aid and emergency response agreements;
 - (8) Ongoing litigation and claims by or against the predecessor contractor;
 - (9) Collective Bargaining Agreements; and,
 - (10) Other similar agreements.
- (b) Additionally, 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 shall not implement a change until it is formally approved by the Contracting Officer.
- (c) The Contractor agrees that all obligations entered into under this Contract shall be transferrable and assignable to the successor contractor as directed by the Contracting Officer. If, at the completion or termination of this Contract, the Contracting Officer does not direct the Contractor to transfer or assign such obligations to the successor contractor, the Contractor shall be liable, responsible, and accountable for closing out and liquidating such obligations, or for taking such other action as the Contracting Officer may direct. The Contractor shall remain liable to the Government and responsible for any unallowable costs which it incurred, or caused to be incurred, in performance of this contract, regardless of whether they arise out of, or relate to, any obligations transferred or assigned to the successor contractor or to another entity.

H-2 SMALL BUSINESS PARTICIPATION

The Small Business Subcontracting Plan is incorporated under Section J, Appendix E, *Small Business Subcontracting Plan*. 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.

H-3 REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFEROR

The Representations, Certifications, and Other Statements of Offeror completed by the Contractor dated **TBD** and **TBD**, are hereby incorporated into this Contract by reference.

H-4 ORGANIZATIONAL CONFLICT OF INTEREST (OCI)

The Contractor and the Contractor's parent(s) and affiliate(s), if any, shall comply with the provisions of the approved OCI Management Plan (Plan) in the performance of the Contract. Any deviations or amendments to the Plan shall require the express written approval, in advance, from the Contracting Officer. The Contractor shall submit to the Contracting Officer annual OCI Disclosure Update Statements beginning November 1st of each year after Contract award. Notwithstanding the annual disclosure requirement, any change in relevant facts since the last OCI Disclosure Update Statement shall be disclosed to the Contracting Officer pursuant to Section I clause DEAR 952.209-72, *Organizational Conflicts of Interest, Alternate I*, paragraph (c)(1), *Disclosure After Award*. Initial notification to the Contracting Officer shall be accomplished as soon as the facts are known with a full disclosure within 60 days of the initial notification, unless otherwise directed by the Contracting Officer.

H-5 LOBBYING RESTRICTION

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-6 FLOWDOWN OF RIGHTS TO PROPOSAL DATA

The Contractor shall include the clause at FAR 52.227-23 “Rights of Proposal Data (Technical)” in any subcontract awarded based on consideration of a technical proposal.

H-7 PRIVACY ACT RECORDS

The Contractor shall design, develop, or operate the following systems of records on individuals to accomplish an agency function pursuant to the Contract’s “Privacy Act” clause to include:

DOE System No.	Title
DOE-5	Former Contractor Employees

DOE-31	Firearms Qualifications Records
DOE-33	Personnel Medical Records
DOE-35	Personnel Radiation Exposure
DOE-38	Occupational and Industrial Accident Records
DOE-43	Personnel Security Clearance Files
DOE-45	Weapon Data Access Control System
DOE-48	Security Education and/or Infraction Reports
DOE-50	Human Reliability Program (HRP)
DOE-51	Employee and Visitor Access Control System
DOE-77	Physical Fitness Records

H-8 TRANSITION

The predecessor Contractor's management systems that exist on the date of Contract award will continue until the Contractor addresses the applicable requirements contained in the Contract. For changes that require NNSA approval, the Contractor will not implement a change until it is formally approved by the Contracting Officer.

During the Transition Period, the Contractor shall perform the activities and provide the documents identified in Section F-7, *Deliverables During Transition* and Section J, Appendix J, *Transition Plan*. The Contractor's responsibility for management and operation of the Sites shall commence with the Base Period.

H-9 CONFERENCE MANAGEMENT

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 <https://www.energy.gov/management/downloads/policy-flash-2015-36>.
- (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 Chief Executive Officer (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-10 FEDERAL FLEET MANAGEMENT SYSTEM

When the Contracting Officer has issued the Contractor authorization to obtain interagency fleet management system vehicles in performance of the contract, the Contractor shall follow the requirement of the Federal Fleet Management System known as FedFMS. The Contractor shall provide the information needed to satisfy the reporting requirement as stated in FedFMS on a monthly basis using the Fleet Management Information System. The Contractor shall also address any of the data gaps/incomplete records that already exist.

H-11 ACCOUNTABILITY

The Contractor is responsible for the quality of its products and services and for assessing its operations, programs, projects and business systems and identifying deficiencies and

implementing needed improvements in accordance with the terms and conditions of this Contract, regardless of whether NNSA has evaluated the Contractor's performance in any area of the Contract. The Contractor is encouraged to collaborate with its corporate parent (as applicable) to ensure corporate leadership, the parent's systems, processes and independent assessments are used to assess the Contractor's performance. The purpose of NNSA oversight is for assessing the Contractor's performance in meeting its obligations under this Contract, in addition to measuring progress toward NNSA missions. The Contractor's accountability described in this clause is not reduced by the fact that NNSA conducts oversight activities.

H-12 NNSA OVERSIGHT

At all times during the term of this contract, NNSA will continue, preserve and maintain its right to determine the level of NNSA oversight of all Contractor activities under this Contract. In addition to the rights and remedies provided to the Government under provisions of this Contract, the Contractor shall fully cooperate with NNSA oversight personnel, NNSA subject matter experts in the performance of their assigned oversight functions and shall provide complete access to facilities, information, and Contractor personnel.

H-13 CLAUSE UPDATES AND IMPLEMENTATION SECTION TO FAR CLAUSES

(a) The Contractor agrees that the Contracting Officer may, from time to time and at any time, unilaterally modify the Contract to revise, add or delete Section H clauses, and FAR or DEAR clauses due to changes in the law or regulations or policy resulting from the approval of new deviations.

(b) The following Implementation of Section I Clauses applies:

(a) For purposes of implementation of Paragraph (d) of DEAR 970.5232-3, *Accounts, Records, and Inspection*, the parties agree that contractor official procurement file records are contractor-owned records. Associated official financial records that are stand alone, separate and apart from the official procurement file records remain government owned records.

(b) For the purposed Implementation of paragraph (b) (1) of I-24 DEAR 970.5204-3, *Access to and Ownership of Records*, the parties agree to the following:

(1) "*Employee relations records*" include records pertaining to qualifications or suitability for employment of any employee, applicant, or former employee, allegations, investigations, and resolution of employee misconduct, discipline, or charges of discrimination, negotiations, arbitration or grievance proceedings with any labor organization in connection with any labor contract, or affirmative action plan and related records.

(2) "*Employee assistance program records*" include psychological/psychiatric records and files maintained on individual employees, applicants, and former employees of the contractor.

(3) “*Internal corporate governance records*” and correspondence between the contractor and other segments of the contractor located away from the DOE facility (i.e. the contractor’s corporate headquarters) means records directly related to the operations of the Contractor’s Board of Directors and parent entity.

H-14 CONFIDENTIALITY OF INFORMATION

(a) To the extent that the work under this Contract requires that the Contractor be given access to or be furnished with confidential or proprietary business, technical, or financial information or data belonging to other entities that is confidential or proprietary, the Contractor shall, after receipt thereof, treat such information in confidence and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized in writing by the Contracting Officer. Unless covered by other existing confidentiality requirements, the foregoing obligations shall not apply to:

- (1) Information or data that is in the public domain at the time of receipt by the Contractor;
- (2) Information or data that is published or otherwise subsequently becomes part of the public domain through no fault of the Contractor;
- (3) Information or data in possession of the Contractor prior to receipt, either directly or indirectly, from the Government; and
- (4) Confidential or proprietary information or data owned by a third party that has expressly authorized unlimited distribution.

(b) The Contractor agrees to enter into an agreement, identical in all material respects to the requirements of paragraph (a) above, with each entity supplying such confidential or proprietary information or data to the Contractor under this Contract and to supply a copy of such agreement to the Contracting Officer. Upon request of the Contracting Officer, the Contractor shall furnish the Government with reports that specify any information or data received as confidential or proprietary and that identify the entity or entities who supplied the Contractor with such information or data.

(c) The Contractor shall obtain the written agreement of each employee permitted access to or furnished with confidential or proprietary business, technical, or financial information or data, whereby the employee agrees that such information or data that the Contractor is obligated to treat in confidence will not be discussed, divulged or disclosed except to those persons within the Contractor's organization directly concerned with the performance of this Contract or to Government representatives. Notwithstanding the foregoing Contractor-employee agreement, upon request of the Contracting Officer, the Contractor agrees to obtain from each employee a confidentiality agreement acceptable to the Contracting Officer.

(d) Upon request of the Government, the Contractor shall execute a DOE/NNSA-approved agreement with any party whose facility or proprietary data the Contractor is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities.

(e) This clause, including this paragraph (d) shall be included in subcontracts if there is a requirement or there becomes a requirement that the subcontractor be given access to or be furnished with confidential or proprietary business, technical, or financial information or data.

H-15 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 provide site access to such other contractors and to accommodate, to cooperate and coordinate with, and to provide reasonable support to such contractors and/or Government employees as necessary and/or as directed by the Contracting Officer. Notwithstanding any other provision of this Contract, the Contractor shall not perform any inherently governmental function, as set forth in 48 C.F.R. Subpart 7.5. The Contractor shall not commit or permit any act or omission which will interfere with the performance of work performed by any other contractor and/or by Government employees, and the Contractor shall be liable for any added costs resulting from such acts or omissions (such as delay costs) whether such costs are incurred by the Government, or another DOE/NNSA Contractor performing DOE/NNSA contract work. The following shall apply to work identified for performance by another contractor:

- (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 a Government 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 the Contractor 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 relevant NNSA Prime 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 sites 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 sites and the Contractor shall be liable for any added costs resulting from such acts or omissions (such as delay costs), whether such costs are incurred by the Government, another contractor, or other parties.

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-16 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 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 Albuquerque Complex - Acquisition and Project Management (NA-APM) as the FOCI Office that will review the FOCI Submission.

- (c) All FOCI documentation/forms shall be completed within the eFOCI system. NOTE: A completed SF 328, Certificate Pertaining to Foreign Interests, executed in accordance with the instructions on the certification section of the SF328, shall be printed, signed and uploaded into the eFOCI system. The SF 328 is required for first time submissions, any time there are changes to the SF 328, and at the request of the Cognizant Security Authority (CSA). Specific problems maneuvering through the fields within the eFOCI system can be clarified by contacting the eFOCI help desk at (630) 252-6566 or fociserver@anl.gov mailto: fociserver@anl.gov.

H-17 PARENT OVERSIGHT PLAN

- (a) The Parent Oversight Plan and any updates required by the Contracting Officer shall be submitted pursuant to this clause and Section J, Appendix A, *Statement of Work*, Chapter I, Section 4.4.3, *Parent Organization(s)*, and may be attached and made part of the Contract at Section J. Elements of the Parent Oversight Plan may be incorporated into the Performance Evaluation and Measurement Plan (PEMP). The Parent Oversight Plan shall identify the official(s) responsible for administration of the Strategic Plan.
- (b) The Contractor shall provide periodic reports of Parent Oversight Plan activities conducted and costs incurred as required by the Contracting Officer, but not less than annually. Costs of activities associated with the Parent Oversight 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) Any utilization of a Parent Organization expert or other employee of a Parent Organization detailed, seconded, or otherwise assigned to work under the M&O contract, except for subcontracts approved by the CO to be placed with the Parent Organization on an arm's length basis, shall be consistent with DEAR 970.3102-3-70 and shall be subject to the same cost limitations set forth in paragraph (b) above.
- (d) 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-18 CONSTRUCTION PROJECTS

For each construction project performed under CLIN 0004, the Contractor agrees that the NNSA will incorporate appropriate Sub-CLIN specific construction terms and conditions into the M&O Contract concurrent with the award of each Sub-CLIN for the completion of that project that are not otherwise contained in the M&O Contract. The Sub-CLIN will also include specific work requirements (e.g. project title, description of work, delivery schedule (to include major

milestones and/or completion dates), in accordance with DOE O 413.3B (or successor) and other applicable DOE Orders. When deemed appropriate, the NNSA may also identify requirements applicable to construction work performed under CLIN 0002 (e.g., portions of DOE O 413.3B, or successor).

- (a) Capital Construction Projects are defined as line item design and construction, or major equipment installation projects subject to line item appropriations. These projects by definition exceed the minor construction threshold, which is currently established as \$20M but may be changed by Congressional action. This CLIN/Sub-CLIN structure may also be applied to non-line item capital projects by mutual agreement of the parties or as directed by NNSA.
- (b) The Construction Contracting Officer (CCO) may, in their sole discretion, direct the Contractor to manage and/or perform Capital Construction Projects, or any portion thereof, under CLIN 0004 as they arise. The Contractor agrees to enter into good-faith negotiations with the Government to establish mutually agreeable terms and conditions that will apply to each Capital Construction Project. However, if the Parties cannot reach mutual agreement, the Construction Contracting Officer may (1) withdraw the direction to manage and/or perform a particular Capital Construction Project or, (2) direct the Contractor to proceed with the management and/or performance of the Capital Construction Project in accordance with specified terms and conditions via a unilateral contract modification. If the Parties are unable to agree on an equitable adjustment, the matter shall be treated as a dispute under the *Disputes* Clause of this Contract and the Contractor shall diligently proceed with the performance or management of the Capital Construction Project pending the final outcome of the dispute.
- (c) Construction projects shall be performed or managed by the Contractor as directed by the Government. Such construction projects may be assigned by Work Authorizations under CLIN 0002 or a sub-CLIN under CLIN 0004 which may include construction-related clauses prescribed in the FAR and/or the DEAR in effect at the time of the issuance of the Work Authorization (if not already included in this Contract). The Contractor agrees to comply with such clauses.

For construction projects performed under CLIN 0002, 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*."

- (d) The Government reserves the right to have other contractors or government entities (e.g. U.S. Army Corps of Engineers (USACE)) perform or manage any or all construction projects, including Capital Construction Projects, or any portion thereof at the Sites. The Contractor agrees to provide site access to such other contractors or government entities and to cooperate with, accommodate, and to provide such logistical support to such other contractors or

government entities as needed and/or as directed by the Construction Contracting Officer. Added project costs resulting from the Contractor's failure to cooperate with any such other contractors (such as delay costs), regardless of whether incurred by the Contractor or such other contractor(s) or by the Government, shall be borne by the Contractor and shall not be an allowable cost of this Contract. Activities conducted pursuant to this paragraph and associated costs are within the scope of CLIN 0002.

H-19 LABORATORY, PLANT, AND SITE STRATEGIC PLANNING GUIDANCE

The Contractor shall submit to NNSA a laboratory, plant, or site strategic plan annually in accordance with the annual strategic planning guidance and the terms and conditions of the contract, or as directed by the Contracting Officer. The laboratory, plant, or site M&O leadership team shall present the site's plan and engage in discussions with senior NNSA and other M&O leadership as well as with key stakeholders (e.g., DOE and interagency partners) annually, if required in the annual strategic planning guidance, and as directed by the Contracting Officer.

H-20 ORGANIZATIONAL CULTURE CHANGE

The contractor shall improve the organizational culture by effectively managing disciplined operations while proactively balancing the conduct of operations in every aspect of executing the Statement of Work (e.g. integrating technical safety, Nuclear Explosive Safety, and criticality safety requirements with a production environment; effective IT/Cybersecurity; and integrating construction and operations in a high hazard environment). This balance should allocate resources and leadership focus to ensure mission deliverables and desired outcomes are achieved in a timely manner with operations that are safe, secure, and efficient; and it should ensure the continuity of leadership and technical capability necessary to reduce risk in Cybersecurity and IT program management. In addition to the focus areas and attributes described in Department of Energy Guide 450.4-1C, *Integrated Safety Management System*, Attachment 10, the Contractor shall include organizational culture improvement as part of its strategic planning activities.

H-21 MANAGEMENT AND OPERATING CONTRACTOR (M&O) SUBCONTRACT REPORTING (NOV 2017)

(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.

"Management and Operating Contractor Subcontract Reporting Capability (MOSRC)" means a DOE system and associated processes to collect key information about Management

and Operating Contractor first-tier subcontracts for reporting to the Small Business Administration.

“Transaction” means any contract, order, agreement, other agreement, or modification thereof (other than one involving an employer-employee relationship) entered into by the Contractor acquiring supplies and services (including construction) required solely for performance of the prime contract.

(b) *Reporting*. The Contractor shall collect and report data via MOSRC necessary for DOE to meet its agency reporting requirements, as determined by the Small Business Administration, in accordance with the most recent reporting instructions at <https://www.energy.gov/management/downloads/mosrc-reporting-instructions>. The Contractor shall report first-tier subcontract data in MOSRC. Classified subcontracts shall not be reported. Subcontracts with Controlled Unclassified Information marking shall not be reported if restricted by its category. Contact your Contracting Officer if uncertain of information reporting requirements. The MOSRC reporting requirement does not replace any other reporting requirements (e.g. the Electronic Subcontracting Reporting System or the FFATA Subcontracting Reporting System).

H-22 THIRD PARTIES

Nothing contained in this Contract or its modifications shall be construed to grant, vest, or create any rights in any person not a party to this Contract. This clause is not intended to limit or impair the rights which any person may have under applicable Federal Statutes.

H-23 STANDARDS MANAGEMENT

(a) *Benchmark with Industry*. The Contractor shall regularly benchmark with industry to identify best commercial standards and best business practices that will improve site operations with the goal of improving performance effectively and efficiently without compromising Integrated Safety Management (ISM) and Integrated Safeguards and Security Management (ISSM).

(b) *Proposal of Alternative*. Where best commercial standards or best business practices are identified that will improve site operations consistent with paragraph (a) above, the Contractor may, at any time during performance of this Contract, propose an alternative procedure, standard, or assessment mechanism (collectively referred to herein as “alternative”) for a Directive or DOE/NNSA requirement by submitting to the Contracting Officer a signed proposal(s) that describes (1) the nature and scope of alternative and Contractor system of oversight, (2) the anticipated benefits, including any cost benefits to be realized in performance under the Contract, (3) a schedule for implementation of the alternative is an effective, efficient means to meet the Directive without compromising ISM and ISSM, and (4) any additional information required by NNSA. NNSA will evaluate the Contractor’s proposal, and the Contractor will not implement a proposed change until it is formally approved by the NNSA and communicated to the Contractor by the Contracting Officer.

(c) Deficiency and Remedial Action. If, during performance of this Contract, NNSA determines that a previously approved alternative is not satisfactory, the Contracting Officer will require the Contractor to prepare a corrective action to be taken, and, the Contracting Officer may direct corrective action to remedy the deficiency, including, if appropriate, the reinstatement of the Directive or DOE/NNSA requirement.

(d) Law and Regulations Exempted. The process described in this clause shall not affect the Application of otherwise applicable laws and regulations of the United States, including DOE regulations.

H-24 UTILIZATION OF PARENT CORPORATE SYSTEMS

If the Contractor, in the interest of efficiency and effectiveness of business operations, decides to adopt or adapt its parent corporate systems or services, it will ensure that the Government and Contractor's data in such systems is readily transferable to a successor contractor.

H-25 PERFORMANCE BASED MANAGEMENT SYSTEM

This Contract is a management and operating performance-based contract, which holds the Contractor accountable for performance. This Contract uses performance measures as described in Contract Clause B-7 entitled "*Performance Evaluation*."

H-26 CONTRACTOR PERFORMANCE EVALUATIONS

In accordance with Federal Acquisition Regulation (FAR) Subpart 42.15, the NNSA will prepare and submit past performance evaluations to the Past Performance Information Retrieval System (PPIRS). Evaluation reports will be documented not later than 120 days after the end of an evaluation period by using the Contractor Performance Assessment Reporting System (CPARS) which has connectivity with PPIRS. Contractor must register in CPARS in order to view/comment on their performance reports.

H-27 ADVANCE UNDERSTANDING REGARDING ADDITIONAL ITEMS OF ALLOWABLE AND UNALLOWABLE COSTS AND OTHER MATTERS

Allowable costs under this Contract shall be determined according to the requirements of the Contract's Section I clause entitled "*Payments and Advances*." For purposes of effective Contract implementation, certain general types of cost are being specifically identified below as allowable (to the extent reasonable and allocable to the contract and in accordance with other applicable requirements and limitations) and/or unallowable under this Contract to the extent indicated:

(a) ITEMS OF ALLOWABLE COSTS:

(1) Personnel costs in accordance with Section J, Appendix A, *Statement of Work*, Chapter III, *Human Resources*, and Appendix D, *Personnel Appendix* attached to this contract.

(b) ITEMS OF UNALLOWABLE COSTS:

- (1) Premium Pay for wearing radiation-measuring devices for Plant and all-tier cost-type subcontract employees.
- (2) Home office expenses, whether direct or indirect, relating to activities of the Contractor, except as otherwise specifically provided in the Contract or specifically agreed to in writing by the Contracting Officer.
- (3) Facilities capital cost of money for the Contractor including its “Contractor teaming arrangement” as defined in FAR 9.601.
- (4) Meals, snacks, refreshment and catering services, except as otherwise specifically agreed to in writing by the Contracting Officer.
- (5) Compensation of a Senior Executive in excess of the benchmark compensation amount determined applicable for the contractor fiscal year by the Administrator, Office of Federal Procurement Policy, are unallowable.
- (6) Key Personnel Bonuses.
- (7) Costs that are unallowable under other contract terms shall not be allowable as compensation for personnel services.

H-28 ALTERNATIVE DISPUTE RESOLUTION

(a) The DOE and the Contractor both recognize that methods for fair and efficient resolution of contractual issues in controversy by mutual agreement are essential to the successful and timely completion of contract requirements. Accordingly, DOE and the Contractor shall use their best efforts to informally resolve any contractual issue in controversy by mutual agreement. Issues of controversy may include a dispute, claim, question, or other disagreement. The parties agree to negotiate with each other in good faith, recognizing their mutual interests, and attempt to reach a just and equitable solution satisfactory to both parties.

(b) If a mutual agreement cannot be reached through negotiations within a reasonable period of time, the parties may use a process of alternate dispute resolution (ADR) in accordance with the clause at FAR 52.233-1, *Disputes*. The ADR process may involve mediation, facilitation, fact-finding, group conflict management, and conflict coaching by a neutral party. The neutral party may be an individual, a board comprised of independent experts, or a company with specific expertise in conflict resolution or expertise in the specific area of controversy. The neutral party will not render a binding decision, but will assist the parties in reaching a mutually satisfactory agreement. Any opinions of the neutral party shall not be admissible in evidence in any subsequent litigation proceedings.

(c) Either party may request that the ADR process be used. The Contractor shall make a written request to the Contracting Officer, and the Contracting Officer shall make a written request to the appropriate official of the Contractor. A voluntary election by both parties is required to participate in the ADR process. The parties must agree on the procedures and terms of the process, and officials of both parties who have the authority to resolve the issue must participate in the agreed upon process.

(d) ADR procedures may be used at any time that the Contracting Officer has the authority to resolve the issue in controversy. If a claim has been submitted by the Contractor, ADR procedures may be applied to all or a portion of the claim. If ADR procedures are used subsequent to issuance of a Contracting Officer's final decision under the clause at FAR 52.233-1, *Disputes*, their use does not alter any of the time limitations or procedural requirements for filing an appeal of the Contracting Officer's final decision and does not constitute reconsideration of the final decision.

e) If the Contracting Officer rejects the Contractor's request for ADR proceedings, the Contracting Officer shall provide the Contractor with a written explanation of the specific reasons the ADR process is not appropriate for the resolution of the dispute. If the Contractor rejects the Contracting Officer's request to use ADR procedures, the Contractor shall provide the Contracting Officer with the reasons for rejecting the request.

H-29 COMMUNITY COMMITMENT PLAN

The Community Commitment Plan shall be consistent with the intent of DEAR 970.5226-3, "Community Commitment". The Community Commitment Plan shall describe the Contractor's planned activities as to how it will be a constructive partner to the communities in the States of Tennessee and Texas. The Contractor is encouraged to consider specific performance goals around maximizing Strategic Partnerships with Tennessee and Texas' systems of higher education. Reasonable costs associated with the development of the plan will be considered allowable, while costs associated with implementing the Plan are unallowable.

H-30 DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM PRIORITY RATING

(a) Rated Contract. As indicated in Block 1 of SF33, this contract is a DO-E2 rated order certified for national defense use (subject to limitations in (b) below) and you are required to follow all the provisions of the Defense Priorities and Allocations System ("DPAS") regulations (15 CFR §§ 700, *et seq.*). In the event that any provision of the DPAS regulations conflict with any provision of this clause, the DPAS regulations control.

(b) Scope of DPAS Rating. Only those portions of this contract for items and services necessary for the national defense, as outlined in (b)(1), are considered rated.

- (1) DQ. Items and related services in support of programs approved for priorities and allocations support by the Secretary of Defense with respect to military production and construction, military assistance to any foreign nation, space, stockpiling, and directly

related activities are rated as DO-E2 upon establishment of a required delivery date (see (c)).

(c) Required Delivery Dates. If not expressly identified in this contract, the required delivery date for rated items and related services is as specified in writing by the cognizant NNSA Program Office or Field Office.

(d) Placing Priority Ratings on Subcontracts.

(1) Subcontracts that May be Rated. When placing subcontracts that directly support a rated portion of this contract, the Contractor may, if necessary, place rated subcontract orders for:

- (i) Items (as defined in 15 CFR § 700.8) which will be physically incorporated into other items to fill a rated portion of this contract, including that portion of such items normally consumed, or converted into scrap or by-products, in the course of processing;
- (ii) Containers or other packaging materials required to make delivery of the finished items required under a rated portion of this contract;
- (iii) Services, other than contracts of employment, needed to fill a rated portion of this contract;
- (iv) Maintenance and repair and/or operating supplies (as defined in 15 CFR § 700.8) needed to produce the finished items to fill rated orders.

(2) Subcontracts that Shall Not be Rated. Notwithstanding (d)(1), subcontracts may not be rated to obtain:

- (i) Any items that (i) are commonly available in commercial markets for general consumption; (ii) do not require major modification when purchased for approved program use; and (iii) are readily available in sufficient quantity so as to cause no delay in meeting approved program requirements; or
- (ii) Any items to be used primarily for administrative purposes, such as for personnel or financial management.
- (iii) Delivery of items or services on a date earlier than needed;
- (iv) A greater quantity of the item than needed, except to obtain a minimum procurable quantity;
- (v) Any of the following items, unless a specific priority rating authority has been obtained from a Delegate Agency or Department of Commerce:

- (A) Items for plant improvement, expansion or construction, unless they will be physically incorporated into a construction project covered by a rated order;
 - (B) Production or construction equipment or items to be used for the manufacture of production equipment.
 - (vi) Any items related to the development of chemical or biological warfare capabilities or the production of chemical or biological weapons, unless such development or production has been authorized by the President or the Secretary of Defense.
- (e) Records and Reporting Requirements.

- (1) Record Retention. Notwithstanding any other provision of this contract, the Contractor shall maintain and preserve for at least three years, accurate and complete records related to any priority rated subcontract.
- (2) Reporting. On a semi-annual basis, the Contractor shall provide to the Contracting Officer a summary of all rated subcontract orders placed in the preceding six-months by the Contractor. This information shall be contained in a sortable Microsoft® Excel spreadsheet with the following information (contained in separate columns):
 - (i) Subcontract identification number
 - (ii) Description of items or services acquired
 - (iii) Priority rating assigned to the subcontract (i.e., DO-E2).
 - (iv) Detailed justification for the priority rating assigned.

H-31 COMBATING RACE AND SEX STEROTYPING

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor shall not use any workplace training that inculcates in its employees any form of race or sex stereotyping or any form of race or sex scapegoating, including the concepts that (1) one race or sex is inherently superior to another race or sex; (2) an individual, by virtue of his or her race or sex, is inherently racist, sexist, or oppressive, whether consciously or unconsciously; (3) an individual should be discriminated against or receive adverse treatment solely or partly because of his or her race or sex; (4) members of one race or sex cannot and should not attempt to treat others without respect to race or sex; (5) an individual's moral character is necessarily determined by his or her race or sex; (6) an individual, by virtue of his or her race or sex, bears responsibility for actions committed in the past by other members of the same race or sex; (7) any individual should feel discomfort, guilt, anguish, or any other form of psychological distress on account of his or her race or sex; or (8) meritocracy or traits such as a hard work ethic are racist or sexist, or were created by a particular race to oppress another race. The term "race or sex stereotyping" means ascribing character traits, values, moral and ethical codes, privileges, status, or beliefs to a race or sex, or to an individual because of his or her race

or sex, and the term “race or sex scapegoating” means assigning fault, blame, or bias to a race or sex, or to members of a race or sex because of their race or sex.

(b) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers’ representative of the contractor’s commitments under the Executive Order of September 22, 2020, entitled Combating Race and Sex Stereotyping, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(c) In the event of the contractor’s noncompliance with the requirements of paragraphs (a), (b), and (d), or with any rules, regulations, or orders that may be promulgated in accordance with the Executive Order of September 22, 2020, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246, and such other sanctions may be imposed and remedies invoked as provided by any rules, regulations, or orders the Secretary of Labor has issued or adopted pursuant to Executive Order 11246, including subpart D of that order.

(d) The contractor will include the provisions of paragraphs (a) through (d) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

H-32 STRATEGIC PURCHASING

(a) The Contractor shall participate with NNSA and other NNSA contractors as part of an “enterprise organization” taking advantage of the many benefits that can be achieved through strategic purchasing. Strategic purchasing can result in better pricing, better products, more timely delivery, reduced administrative costs and lead times for both the contractor and the NNSA, greater standardization and interchangeability across the NNSA complex, and increased award to small business entities.

(b) The Contractor shall cooperate with NNSA and other NNSA contractors in identifying requirements under this Contract that are suitable for strategic purchasing and shall facilitate the identification of work to be directly acquired by NNSA to support the objectives discussed below. The Contractor shall use the contracting vehicles identified by the NNSA as strategic purchases and those awarded by the Integrated Contractor Purchasing Team (ICPT) to meet all suitable requirements under this Contract unless the cost of using such contracting vehicles is shown to be excessive, does not provide the best value and or impacts the Contractor’s schedule. The Contractor may propose alternative acquisition strategies to the Contracting Officer.