

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

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PART I – THE SCHEDULE
SECTION B
SUPPLIES OR SERVICES AND PRICES/COSTS

OVERVIEW: This contract may be one of two contracts for a two phased design/build process for design, construction and commissioning of a Salt Waste Processing Facility (SWPF) as described in Section C. Phase I of the contract is for conceptual design and submission of a cost and fee proposal for Phase II. Phase II is for preliminary and final design, construction and commissioning (one year of operations). The contractor shall not proceed and shall incur no cost for Phase II work without specific, written direction from the Contracting Officer.

B.1 ITEMS BEING ACQUIRED –TYPE OF CONTRACT

The contractor shall furnish all personnel, facilities, equipment, material and supplies and services (except as may be expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, efficiently and effectively accomplishing the work required by this contract.

Line Item 0001A & B – Phase I - This Phase of the contract will be on a cost-plus-fixed-fee basis.

Phase IA - Includes project familiarization and preparation of Conceptual Design of a 15% scale, expandable Salt Waste Processing Facility as defined in Section C. Although all research and development (R&D) work performed to date by DOE will be provided to the contractor, any additional R&D work needed by the contractor to execute the contract requirements will be included in the cost estimate for this Line Item. Concurrent with submission of the conceptual design the contractor shall submit sensitivity reviews/analyses to provide project construction cost ranges and schedules for 1%, 5%, 10% and 20% scale facilities. The contractor shall also submit a cost and fee proposal for the 15% scale facility as provided for in the clause in Section H entitled, Phase II Cost and Fee Proposal. The Government will consider the information submitted and make a decision on the optimum scale facility.

Phase IB – The contractor shall prepare a final conceptual design for the size facility specified by the Government and submit a revised/final cost and fee proposal for the Phase II work. The Government shall evaluate the information provided by the contractor and, pursuant to the down selection criteria set forth in Section H, select a single contractor to proceed into Phase II.

Line Item 0002 – Phase II – This Phase of the contract is contemplated to be a cost-plus-incentive-fee contract arrangement; however the final contract type will be established in negotiations with the contractor as part of the down selection process described in Section H. The contractor shall not proceed with any Phase II work unless specifically authorized, in writing, by the Contracting Officer.

Phase II – Includes preliminary design, final design, construction and commissioning of the Salt Waste Processing Facility. The contractor shall provide a mandatory value engineering program during the design stages of the work as specified in Section C.

Final Fee Adjustment: Upon completion of commissioning under Line Item 0002, an assessment of actual vs. required facility production rates will be accomplished. The Contracting Officer may reduce the fees earned under Line Items 0001 and 0002 by up to 75% after assessing the differential in actual vs. required production rates, if any, and

consideration of the extent any such differences were within the control of the contractor during contract performance. A combination of production and schedule fee reductions shall not decrease the contractor's fee to less than 2% of the total estimated cost set forth in Line Item 0002. This fee reduction limitation does not apply if the Clause B.7 Conditional Payment of Fee is invoked by the Contracting Officer.

B.2 ESTIMATED COST OF THE CONTRACT AND FUND OBLIGATIONS

(a) The estimated cost of the contract is set forth below:

BASE PERIOD OF PERFORMANCE

Line Item 0001 - Phases IA and IB -

Line Item 0001A - Project familiarization, preparation and submission of a 15% Conceptual Design, sensitivity analyses and schedules for 1%, 5%, 10% and 20% scale facilities, final conceptual design on the optimized scale facility as determined by the Government and submission of a Phase II cost proposal as described in Section C and/or the clause in Section H entitled, Phase II Cost and Fee Proposal.

Estimated Cost \$ 7,714,744.00

Total Fixed Fee \$ 538,835.00

Total Line Item 0001A \$ 8,253,579.00

Line Item 0001B - Demobilization (Cost Only) as
Provided for in Special Contract
Clause H.40 \$ 128,737.00

Line Item 0001C - Incentive Subcontracting Amount for
Phase I (NOTE: Incentive subcontracting
percentages applicable to FAR 52.219-10
and FAR 52.219-26 will be re-negotiated for
Phase II work.) \$ TBD

Line Item 0002 - Phase II

0002A Estimated Cost for Preliminary
Design, Final Design, Construction,
And Commissioning \$ TBD

0002B Estimated Cost for Value Engineering
Program described in Section C. \$ TBD

Total Estimated Cost \$ TBD

Total Fee Line Item 0002- inclusive of the following: \$ TBD

Fee (type to be specified) \$ TBD

Schedule Fee for Start of hot commissioning
90 days prior to scheduled date in Section F. \$ TBD

Schedule Fee for Start of hot commissioning
180 days prior to scheduled date in Section F. \$ TBD

No Schedule Fee is earned for achievement
after these dates.

Schedule Fee Reduction
[Calculated = (3% of Target/Estimated Cost)/365]

Fee will be reduced for each day of delay
beyond the scheduled date of "Start of
Hot Commissioning" specified in Section F
not to exceed 90% of earned fee

\$ TBD

Total

\$ TBD

- (b) In accordance with the clause entitled FAR 52.232-22 LIMITATION OF FUNDS (APR 1984), the amount presently obligated by the Government with respect to this contract is \$ 500,000.00.

B.3 ALLOWABILITY OF SUBCONTRACTOR FEES

If the Contractor is part of a consortium, joint venture, and/or other teaming arrangement, the team shall share in this Contract fee structure (i.e., separate additional "subcontractor fee" for teaming partners will not be considered an allowable cost under the Contract.

B.4 FEE PAYMENTS

Fee payments will be available during the term of the contract as work progresses. Fee will be paid pursuant to one of the following clauses, as applicable: FAR 52.216-8 Fixed Fee or FAR 52.216-10 Incentive Fee.

B.5 CHANGES TO TARGET COST, SCHEDULE, AND FEE (Applicable to any Cost-Plus-Incentive Fee arrangements under this contract)

- (a) Changes to Target Cost, Schedule and Fees will be made in accordance with Section I Clause entitled, Changes – Cost Reimbursement - Alternate III.
- (b) It is the DOE intention that the funding available for this Contract will be consistent with the funding profile set forth in the Section J, Attachment G, Funding Profile, which will be established as part of the negotiations for Phase II work. To the extent that DOE obligates funds to this Contract on a schedule consistent with this funding profile, availability of funds shall not be a basis for proposed changes to the Target Cost, Target Fee, and/or Section F milestone dates.

B.6 FEE PAYMENTS UNDER CHANGE OF OWNERSHIP OR BANKRUPTCY OF GUARANTOR(S)

- (a) Bankruptcy or Other Issues with Guarantor Company(ies). In order to assure the Contractor's ability to repay any fee payments that are determined to be in excess of the actual fee earned at the completion of the Contract, the Contracting Officer reserves the right to discontinue fee payments, in the event that a guarantor company files bankruptcy or is acquired by other owners, or other events arise with the Contractor's guarantor company(ies) that jeopardizes DOE ability to recover unearned fee payments.
- (b) Repayment of Bankruptcy Reserve. In the event of a bankruptcy, acquisition by other owner, or other event the Contractor shall within 60 days after the event, provide evidence satisfactory to the Contracting Officer that the bankruptcy, change in ownership, or other event does not affect the ability of the Contractor to continue to perform the obligations under the Contract, or affect a material Governmental or DOE interest. Upon receipt of such evidence, the Contracting Officer shall resume making payments of fee and shall release all fee payments withheld due to events described in paragraph (a) above during the preceding 60 days.

B.7 DEAR 970.5215-3 - CONDITIONAL PAYMENT OF FEE, PROFIT, OR INCENTIVES (DEC 2000)

Note: The following clause is currently being revised by the Department through the Federal Rule Making Process. The contractor agrees to accept the Final Rule version of this clause when formally published in the Federal Register.

In order for the Contractor to receive all otherwise earned fee, fixed fee, profit, or share of cost savings under the contract in an evaluation period, the Contractor must meet the minimum requirements in paragraphs (a) and (b) of this clause, and if Alternate I is applicable, (a) through (d) of this clause. If the Contractor does not meet the minimum requirements, the DOE Operations/Field Office Manager or designee may make a unilateral determination to reduce the evaluation period's otherwise earned fee, fixed fee, profit or share of cost savings as described in the following paragraphs of this clause.

- (a) Minimum requirements for Environment, Safety & Health (ES&H) Program. The Contractor shall develop, obtain DOE approval of, and implement a Safety Management System in accordance with the provisions of the clause entitled, "Integration of Environment, Safety and Health into Work Planning and Execution," if included in the contract, or as otherwise agreed to with the contracting officer. The minimum performance requirements of the system will be set forth in the approved Safety Management System, or similar document. If the Contractor fails to obtain approval of the Safety Management System or fails to achieve the minimum performance requirements of the system during the evaluation period, the DOE Operations/Field Office Manager or designee, at his/her sole discretion, may reduce any otherwise earned fees, fixed fee, profit or share of cost savings for the evaluation period by an amount up to the amount earned.
- (b) Minimum requirements for catastrophic event. If, in the performance of this contract, there is a catastrophic event (such as a fatality, or a serious workplace-related injury or illness to one or more Federal, contractor, or subcontractor employees or the general public, loss of control over classified or special nuclear material, or significant damage to the environment), the DOE Operations/Field Office Manager or designee may reduce any otherwise earned fee for the evaluation period by an amount up to the amount earned. In determining any diminution of fee, fixed fee, profit, or share of cost savings resulting from a catastrophic event, the DOE Operations/Field Office Manager or designee will consider whether willful misconduct and/or negligence contributed to the occurrence and will take into consideration any mitigating circumstances presented by the contractor or other sources.