

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	PAGE OF PAGES 1 28
2. AMENDMENT/MODIFICATION NO. P00050	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY NNSA M&O Contracting Branch NA-APM-131 Albuquerque Complex P.O. Box 5400 Albuquerque NM 87185-5400	CODE 892332	7. ADMINISTERED BY (If other than Item 6) NNSA Los Alamos Field OFC NA-LA 3748 West Jemez Road Los Alamos NM 87544	CODE 05003
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Triad National Security, LLC Attn: H. Rich Heitman 505 KING AVE COLUMBUS OH 43201		(x) 9A. AMENDMENT OF SOLICITATION NO.	
		9B. DATED (SEE ITEM 11)	
		X 10A. MODIFICATION OF CONTRACT/ORDER NO. 89233218CNA000001	
		10B. DATED (SEE ITEM 13) 06/08/2018	
CODE 080961356	FACILITY CODE		

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended. ☐ is not extended.  
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or electronic communication which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or electronic communication, provided each letter or electronic communication makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

**12. ACCOUNTING AND APPROPRIATION DATA (If required)**

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

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

**E. IMPORTANT:** Contractor ☐ is not ☒ is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

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

DUNS Number: 080961356

The purpose of this modification is to delete and replace in its entirety Part III, List of Documents, Exhibits, and Other Attachments, Section J, List of Attachments. Revise Part III, List of Documents, Exhibits, and Other Attachments, Section J, List of Attachments, Appendix C, Personnel Appendix.

Payment:

Period of Performance: 11/01/2018 to 10/31/2023

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

15A. NAME AND TITLE OF SIGNER (Type or print) Thomas E. Mason, Laboratory Director	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Jennifer L. Jung
DATE SIGNED	DATE SIGNED

Previous edition unusable

The purpose of this modification is to delete and replace in its entirety the following:

Refer to Part III, List of Documents, Exhibits, and Other Attachments, *Section J*, List of Attachments. Revise Part III, List of Documents, Exhibits, and Other Attachments, Section J, List of Attachments, Appendix C, *Personnel Appendix*.

1. Appendix C, *Personnel Appendix*

**PART III – SECTION J**

**APPENDIX C**

**PERSONNEL APPENDIX**

**TABLE OF CONTENTS**

**Page**

1.0	Introduction .....	4
2.0	Definitions .....	5
3.0	Compensation .....	6
4.0	Labor Relations – Collective Bargaining Agreements .....	13
5.0	Group Insurance .....	14
5.1	Displaced Workers Medical Benefits Program (DWMBP) .....	14
6.0	Retirement Plans .....	15
7.0	Paid Leaves of Absence .....	16
8.0	Training and Education .....	22
9.0	Travel, Relocation, and Meals and incidental expenses (M&IE) .....	24
10.0	Recruiting .....	25
11.0	Special Employee Activities .....	25
12.0	Community Involvement and Outreach Program .....	26
13.0	Other Provisions .....	27
14.0	Partnerships with Contractor University Entities .....	28



## 1.0 Introduction

This Appendix sets forth certain Contractor Human Resources Management policies and related expenses that have cost implications under this Contract and are not covered explicitly in the Federal Acquisition Regulations (FAR) or Department of Energy Acquisition Regulations (DEAR) cost principles. This Appendix identifies those costs eligible for reimbursement when incurred in keeping with FAR part 31 and the other terms of the Contract. The Contractor shall seek Contracting Officer approval prior to incurring personnel-related costs not specifically identified as allowable in this Appendix. The Contractor shall identify and treat all unallowable costs and directly associated unallowable costs in accordance with the Contractor's Cost Accounting Disclosure Statement, including but not limited to placing unallowable costs in appropriate allocation bases.

Approval of personnel policies under contract DE-AC52-06NA25396 does not transfer to this Contract. All of the Contractor's personnel policies shall comply with the terms and conditions of this Contract and the relevant provisions of FAR part 31, *Contract Cost Principles and Procedures*. For purposes of cost reimbursement, if there is a conflict between the Contractor's policies and the terms of this Contract, the Contract will govern. Nothing in this Personnel Appendix makes costs allowable that would otherwise be unreasonable.

The Contractor will obtain prior Contracting Officer approval of changes to its existing policies in those areas identified within the scope of the Personnel Appendix when such changes are expected to increase costs to the Government. In situations where changes may set a precedent among the Department of Energy/National Nuclear Security Administration (DOE/NNSA) contractors, the Contractor will consult with the Contracting Officer regarding program cost reimbursement prior to implementation, even if there is no expected increase in cost. This requirement is not intended to prohibit the Contractor from taking advantage of efficiency gains realized from new and innovative approaches in providing human resources services.

The Contractor shall establish effective management review procedures and internal controls to ensure that requirements set forth herein are met. For areas that require prior approval of the Contracting Officer, the Contractor will submit required documents and seek Contracting Officer approval, prior to incurrence of costs.

Management controls shall be put into place (see DEAR 970.5203-1) to ensure that Human Resources Programs of the Contractor:

- a) Are market based as evidenced by comparisons with applicable industry comparators;
- b) Fulfill the requirements of the DOE/NNSA mission, meet the strategic direction of DOE/NNSA, and are in the best interests of the Government;



- c) Are adopted to support the business needs of the Contractor and/or local conditions above;
- d) Apply to all employees of the Contractor engaged in the work under this Contract, to the extent practicable, irrespective of the place of performance of work, and are consistent with collective bargaining agreements, as applicable;
- e) Are documented in Contractor policies and/or in Summary Plan Descriptions and are available to DOE/NNSA;
- f) Are in compliance with rules and regulations incorporated into this Contract and applicable laws; and
- g) Are affordable within the constraints of the resources available to the Contractor.

Either party may request revisions to this Appendix, and both the parties agree to give consideration in good faith to any such request. When revisions to this Appendix are made, a Contract modification will be executed to effect the changes.

The Contract, including this Appendix, is for the exclusive benefit and convenience of the parties hereto. Nothing contained herein shall be construed as granting, vesting, creating, or conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party.

## **2.0 Definitions**

The following terms as used in this Appendix have the meaning defined herein.

- a) Exempt Employees: Employees who are not eligible for overtime pay because they are executive, administrative or professional employees and meet other applicable criteria under the Fair Labor Standards Act (FLSA) and FLSA implementing regulations.
- b) Non-Exempt Employees: Employees not meeting the definition of "Exempt Employee."
- c) Overtime: Time worked that exceeds 40 hours on pay status in a workweek. Holiday Pay, and Fitness For Duty Pay hours count as hours on pay status for purposes of overtime. However, sick leave, vacation leave, and any other paid leave do not count as hours on pay status for purposes of overtime. Overtime is reported and compensated to the nearest quarter hour.
- d) Red-Circled Salaries: Employee salaries that are above the maximum salary of the associated job band. The employee is *not eligible* for additional pay increases until the range maximum exceeds the individual's salary and the manager recommends the

employee for an increase. However, based on performance, the employee may be eligible for a non-base building merit lump sum.

- e) Casual Employees: Employees who work no more than 40 percent of full-time hours (104 days or 832 hours) in a consecutive 12-month period.
- f) Part-time employees: Employees who are in pay status an average of 20 to 39 hours per workweek (from 50% to 98% of full-time). An employee in part-time status throughout a consecutive 12-month period must have been in pay status at least 1,040 hours, but not more than 2,038 hours, in the period.
- g) Full-time employees: Employees who are regularly scheduled to work 80 hours over a two-week pay period and who do not meet the definition of part-time or casual employees.

### 3.0 Compensation

(Note: This Compensation section does not apply to bargaining unit employees. Section 4.0 sets forth allowable costs associated with bargaining unit employees.)

- a) Acting Pay. The Contractor may assign an employee to a management position when the incumbent manager is temporarily absent or when the management position is vacant. The Contractor may provide a stipend of up to 15 percent of an employee's base pay to an employee serving in an acting management position in excess of 90 days. Approval of Acting Pay is subject to prior approval by the Laboratory Director (or designee). Acting Pay may not exceed 365 days.
- b) Variable Pay. Consistent with Section J, Appendix A, Statement of Work 3.2.3, the Contractor is authorized to fund an incentive compensation program for non-Key Personnel through a recurring non-base incentive authorization not to exceed 2% of the total annual base salary of the previous plan year.
- c) Compensation Exceeding Salary Range. The Contractor shall obtain Contracting Officer advance approval for any salary amount paid an employee in excess of the Contractor-established salary range for the position. Red-Circled Salaries resulting from a demotion of an employee that results in a lower salary range do not require Contracting Officer approval.
- d) Severance Pay. The Contractor may provide one week's pay for each complete year of service, not to exceed a total of 26 weeks of pay. Employees in the first year of service who are subject to a reduction in force may be eligible to receive 1 week of severance.

<b>Service</b>	<b>Benefit</b>
Less than 1 year of Service	1 week of base pay



<1 and >26 years of Service	1 week of base pay per year of completed service
>26 years of Service	26 weeks of base pay

- e) Service Credit. Service Credit for cost reimbursement for employee benefits to include post-retirement benefit (PRB) eligibility generally will be determined in accordance with NNSA Supplemental Directive NA SD 350.1, *M&O Contractor Service Credit Recognition* (the "Directive") and any exception to this Directive granted to Triad National Security, LLC.

After Contract transition, the Contractor sought from NNSA and was granted an exception to NA SD 350.1. Pursuant to that exception, the Contractor is authorized to recognize prior accrued service for employees transferring from the following companies that are comprised of at least one of the parent companies of the Contractor (Affiliated Companies):

UT Battelle, LLC (Management & Operating Contractor at the Oak Ridge National Laboratory),  
Battelle Energy Alliance, LLC (Management & Operating Contractor at the Idaho National Laboratory),  
Brookhaven Science Associates, LLC (Management & Operating Contractor at Brookhaven National Laboratory),  
Alliance for Sustainable Energy, LLC (Management & Operating Contractor at the National Renewable Energy Laboratory) and  
Lawrence Livermore National Security, LLC (Management & Operating Contractor at the Lawrence Livermore National Laboratory).

This list of Affiliated Companies is complete; the Contractor may not recognize service credit with any other company that is comprised of a parent company of the Contractor without express Contracting Officer approval. With respect to the NNSA SD 350.1 exception that was granted to the Contractor, the Contractor is authorized to recognize previous years of service with the Affiliated Companies only with respect to the following benefits:

- Eligibility for and accrual rate for vacation benefit
- Eligibility for and accrual rate for sick leave and other leaves of absence
- Eligibility for vesting and receipt of benefit for market-based retirement plans
- Determination of severance benefits
- Eligibility for dental and life insurance benefits
- Eligibility and/or determination of benefit for long- and short-term disability
- Eligibility for access only (no employer subsidy) to retiree welfare benefits

The Contractor is not authorized to recognize service credit with Affiliated Companies for any other benefits not specifically set forth above. In no circumstance is the



Contractor authorized to provide hire-on incentives to employees who transfer employment from any Affiliated Companies to the Contractor.

f) **Modified Work Week.** The Contractor may designate a work week of less than five days within a pay week for selected employees, or groups of employees, when warranted.

g) **Ancillary Pay.**

The Contractor may provide the following types of Ancillary Pay.

(1) **Shift Differential** - Applies to Exempt and Non-Exempt Employees who are assigned by their manager to work a regular shift in which four or more hours are scheduled either before 8:00 a.m. or after 4:00 p.m.

Swing shift- Normally 4:00 p.m. to 12 midnight. 12.0% of the basic hourly rate or the hourly equivalent rate for Exempt Employees.

Graveyard shift-Normally 12 midnight to 8:00 a.m. 15.0% of the basic hourly rate or the hourly equivalent rate for Exempt Employees.

(2) **Saturday/Sunday Premium** - The Contractor may provide a premium of 5.0% of the basic hourly rate to Non-Exempt Employees, or the hourly equivalent rate to Exempt Employees, whose regular assignment includes work between midnight on Friday and midnight on Sunday.

The premium is in addition to any shift differential pay and is not applicable to wages earned from sick leave, vacation, or any other authorized absences.

(3) **Sunday Overtime** - The Contractor may provide to Non-Exempt Employees a premium rate of two times the regular rate of pay for Overtime worked on Sunday.

(4) **Special Pay Provisions for Exempt Employees - Extended Workweek** - The Contractor may elect to place Exempt Employees on an extended workweek if it is anticipated that they will work more than of 10 hours per week in excess of their regular scheduled workweek for a time period of at least 90 days.

The Contractor may provide Exempt Employees on an extended workweek additional pay at their hourly equivalent rate for hours worked in excess of 5 hours over their regular scheduled workweek (e.g., if an Exempt Employee's regular scheduled workweek is 40 hours and the Exempt Employee worked 50 hours per week on an extended workweek, the employee would be paid for five hours at the employee's hourly equivalent rate).

(5) **On-Call Pay** - The Contractor may provide to Non-Exempt Employees on-call pay under the following conditions:

- (i) they must be assigned to on-call status;
- (ii) they must ensure that they can be reached during the period of on-call status; and
- ii) they must be able to report for emergency work within the time specified by the organization.

Exempt Employees are not eligible for on-call pay status when the on-call responsibility is occasional, intermittent, or not assigned by their manager.

The Contractor may provide to Non-Exempt Employees assigned to on-call duty an amount not to exceed 14% of their hourly base rate for each on-call duty hour.

The Contractor may provide to Exempt Employees who are assigned to on-call duty a flat rate amount not to exceed \$80 for each 24-hour period. Such Exempt Employees must be on-call for a minimum of 15 hours (or 13 hours for eligible employees on a four-day, ten hour alternate work schedule or 14 hours for eligible employees on the nine hour day of their nine-day 9/80 work schedule) within a 24-hour period during the Exempt Employee's normal workweek.

Employees who are assigned to on-call duty in support of the National Incident Response Team shall be paid a flat rate amount not to exceed \$105 for each 24-hour period and must be on-call for a minimum of 15 hours (or 13 hours for eligible employees on a four-day, ten hour alternate work schedule or 14 hours for eligible employees on the nine hour day of their nine-day 9/80 work schedule) within a 24-hour period during the employee's normal workweek. Any increase in on-call rates shall be approved by the Contracting Officer prior to implementation.

(6) **Call Pay** - The Contractor may provide call pay to Non-Exempt Employees who are called in by their manager for emergency work outside of regularly scheduled hours if the work is directly related to the operation or project being charged.

For each occurrence, Non-Exempt Employees will receive pay equivalent to the greater of:

- 1.5 times the straight-time hourly rate for hours worked or

- 4 hours at the straight-time hourly rate.

If the emergency work occurs on the seventh consecutive day of work in the established workweek, Non-Exempt Employees will receive pay equivalent to the greater of:

- 2 times the straight-time hourly rate for hours worked or
- 4 hours at the straight-time hourly rate.

h) Special allowances.

- (1) Uniform allowance. For health service employees, the Contractor may provide a uniform allowance of up to \$300 per year per employee.
- (2) Isolation allowance. The Contractor may provide an isolation allowance of up to a maximum of 25% of the employee's basic salary or monthly equivalent for work performed in remote geographical areas. The Contractor Officer shall notify the Contracting Officer if it provides an employee with the isolation allowance.
- (3) Nevada National Security Site (NNSS) allowance.
  - i. The Contractor may provide employees whose permanent work assignment is at the Mercury location, in addition to their regular pay, a daily allowance of \$5.00 for each day worked at Mercury.
  - ii. The Contractor may provide employees whose permanent work assignment is other than Mercury but within NNSS, in addition to their regular pay, a daily allowance of \$7.50 for each day worked at the assigned work place.
  - iii. In addition to the daily allowance prescribed above in this paragraph, the Contractor may provide an overnight allowance of \$10.00 when individuals' work schedule requires them to remain overnight at NNSS.

The Contractor may provide travel allowances to employees assigned on a temporary basis to the NNSS in accordance with Section 9.0 of the Personnel Appendix, titled "Travel, Relocation and Meals and Incidental Expenses." However, temporarily assigned employees shall not be entitled to the NNSS allowances described in subparagraphs above.

i) Hire-on Incentive.



The Contractor is authorized to provide a one-time hire-on incentive to an eligible external hire. Hire-on incentives are not included in base payroll for the computation of benefits.

**Eligible Positions.** The Contractor is authorized to provide hire-on incentives for the following positions: Laboratory Exempt, Laboratory Non-Exempt or Laboratory Post-Doctoral. Part-time, student, and casual positions are not eligible for this incentive.

**Eligible Candidates.** The Contractor is authorized to provide hire-on incentives only to external candidates. Potential candidates that are i) currently employed by the Regents of University of California, Battelle Memorial Institute, Texas A&M University Systems (Contractor Parent Companies) or Affiliated Companies (as defined in Section 3.0(e)); ii) have left Contractor Parent Company employment under a special incentive program or Affiliated Company employment under a special incentive program; iii) or have retired from Contractor Parent Companies or from Affiliated Company employment *are not* eligible for the hire-on incentive.

**Criteria:** Hire-on incentives are to be used in exceptional cases only if all criteria apply:

- The applicant has critical knowledge, experience, and/or skill essential to the success of LANL programs;
- There is documented difficulty recruiting applicants with this critical knowledge, experience, and/or skill over a period of time and
- There is a documentable reason to believe that the applicant will not accept the offer without this incentive, such as a competitive offer from another company.

Hire-on Incentive Table:

<b>Incentive Amounts</b>	
<b>Base Salary</b>	<b>Percent of Salary / Gross Incentive</b>
Up to \$75,000	Up to 15% of base or \$10,000 – whichever is less
\$75,001 to \$99,999	Up to 20% of base or \$20,000 – whichever is less
\$100,000 and above	Up to 20% of base or \$25,000 – whichever is less

**Service Level Agreement:** The Contractor agrees that if the employee voluntarily terminates or is terminated for cause before the end of one year of employment, the Contractor will seek full repayment from the employee

of the entire hire-on incentive amount. The Contractor will include such a provision in the offer letter and will obtain the agreement of the applicant.

j) Special Incentives.

(1) Retention

The Contractor is authorized to provide retention incentives subject to funding availability within the Compensation Increase Plan. If the employee voluntarily terminates before the end of the specified period of retention, the Contractor will seek repayment of the remaining prorated amount of the retention incentive.

(2) Environmental Pay Program.

The Contractor is authorized to provide a \$500 monthly, non-base retention incentive for eligible Non-Exempt Employees, (prorated based on scheduled work week for part-time employees), who have a primary work assignment in a radiological control or beryllium contamination area of LANL.

(3) Operator Supervisory Incentive Pay

The Contractor may provide up to \$200/day non-base incentive when a qualified non-exempt Operator is required to perform all of the TA-55 Operations Center Supervisor responsibilities in addition to the Operator responsibilities. Regular/term, full-time or part-time Non-Exempt, technicians are eligible for this program. However, support, professional, management, and R&D job classifications are not eligible for this program.

(4) Nuclear Criticality Program

The Contractor has established a Nuclear Criticality Safety Incentive Program that provides financial incentives to motivate employees to complete nuclear criticality safety program requirements. Contractor employees need significant time in grade to learn the nuclear processes and how to efficiently apply the principles of the program in the evaluations. The Contractor is authorized to provide the following lump-sum, non-base building retention payments associated with the Nuclear Criticality Safety Incentive Program:

- \$10,000 upon successful completion of the LANL Nuclear Criticality Safety Analyst Program (the date of successful completion is herein referred to as the "qualification date");
- \$10,000 one year after the qualification date, provided all requirements of the nuclear criticality safety position continue to be met;
- \$10,000 two years after the qualification date, provided all requirements of the nuclear criticality safety position continue to be met;
- \$10,000 three years after the qualification date, provided all requirements of the nuclear criticality safety position continue to be met;
- \$10,000 four years after the qualification date, provided all requirements of the nuclear criticality safety position continue to be met and
- \$10,000 five years after the qualification date, provided all requirements of the nuclear criticality safety position continue to be met.

#### **4.0 Labor Relations – Collective Bargaining Agreements**

Costs of wages and benefits to employees represented by collective bargaining units and all other costs and expenses incurred pursuant to the provisions of collective bargaining agreements and revisions thereto are allowable costs to the extent consistent with the Contract, in particular, Section J Appendix A, *Statement of Work*, Chapter III, Section 5.0, *Labor Relations*.

The Contractor is party to the collective bargaining agreements with the following titles, as transferred effective November 1, 2018:

- Triad National Security, LLC Master Labor Agreement with Local Signatory Unions
  - Southwest Regional Council of Carpenters
  - International Association of Heat & Frost Insulators and Asbestos Workers Local Union No. 76
  - International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers Local Union No. 495
  - Laborers' International Union of North America Local No. 16
  - International Association of Operative Plasterers and Cement Masons Local No. 254
  - International Union of Operating Engineers Local Union No. 953
  - International Union of Painters and Allied Trades Local Union No. 823



- United Union of Roofers, Waterproofers and Allied Workers, Local Union No. 123
- International Brotherhood of Teamsters, Chauffeurs, Warehouseman and Helpers, Local Union No. 492
- International Brotherhood of Electrical Workers Local Union No. 611 (Maintenance Agreement and Construction Agreement)
- International Association of Sheet Metal, Air, Rail and Transportation Workers Local Union No. 49
- United Association of Pipefitters, Local Union No. 412

Expenses associated with employee representation activities, including the settlement of grievances, that are not prohibited by Section 302 of the Labor Management Relations Act, 29 U.S.C. § 186, or any other applicable law or regulation, are allowable costs.

## **5.0 Group Insurance**

Costs incurred in implementing, administering, and funding comprehensive DOE/NNSA approved group insurance plans are allowable to the extent consistent with the Contract. Administrative costs associated with the effective administration of the plans include such items as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits.

Annual renewal of the group insurance policies, certificates and accounts, group insurance plan employer/employee cost-sharing arrangements, renewal of Group Services Agreements, including new premium rates and the implementation of administrative changes do not require Contracting Officer approval, provided the underlying benefits have not materially changed.

Current Group Insurance Plans as of November 1, 2018:

- Triad Welfare Benefit Plan (for Employees)
- Triad Welfare Benefit Plan for Retirees
- Triad Cafeteria Plan (Section 125)
- Triad Senior Life Management Life Insurance

### **5.1 Displaced Workers Medical Benefits Program (DWMBP)**

The Contractor may provide Displaced Workers Medical Benefits to displaced workers if provision of such benefit is set forth in the Contractor's workforce restructuring plan that is approved by DOE/NNSA (see Section J, Appendix A, *Statement of Work*, Chapter III, *Human Resources*, Section 6.2, *Reductions in Contractor Employment*).

Benefits under the DWMBP are available to displaced workers who are not eligible for health insurance coverage under another plan, e.g., another employer's health plan, the Contractor's retiree medical plan, a spouse's medical plan, or Medicare. Generally,

DWMBP benefits are as follows (note: NNSA may approve Contractor workforce restructuring plans that include less years of coverage):

- a) For the first 12-month period after the termination date, the Contractor shall continue to pay the employer portion of the medical premium and the separated employee will pay a premium equal to the monthly premium paid by active employees for the type and level of coverage the separated Employee has at the termination Date.
- b) Beginning in the second year after the termination date, the separated employee will be responsible for one-half of the full Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) rate for this coverage and the Contractor shall pay the remainder.
- c) Beginning in the third and final year of the DWMBP, the separated employee will be responsible for paying the full COBRA rate for this coverage. At the end of the third year the employee's coverage eligibility ends.

#### **6.0 Retirement Plans**

The Contractor shall administer the following plans:

##### **Defined Benefit Plans**

Triad Defined Benefit Pension Plan (TCP1)

##### **Nonqualified Benefit Plans**

Triad Restoration Plan

Triad 401(a)(17) Restoration Plan

##### **Defined Contribution Plans**

Triad 401(k) Savings Plan (TCP1)

Triad 401(k) Retirement Plan (TCP2)

##### **General Provisions**

To the extent legally permissible, qualified plan expenses should be paid from plan assets. If the Contractor seeks to pay separately, through a fringe benefit pool or otherwise, plan expenses that may legally be paid from plan assets, the Contractor must seek advance Contracting Officer approval. Reasonable expenses associated with administration and management of the plan that legally may not be paid from plan assets, are reimbursable. In addition, only compensation reimbursed by DOE/NNSA under the Contract is authorized to be considered as pensionable earnings for purposes of the plans.

- (a) Qualified Defined Contribution Plans



Funds contributed on behalf of participating employees whose employment was terminated, but whose benefit never vested pursuant to the provisions of the plans, shall be used to offset the Contractor's contributions obligated to be made on behalf of other participants in the plans. In the event the Contract is terminated, funds not committed to participants pursuant to provisions of the defined contribution plans in effect for Contractor employees at Los Alamos National Laboratory shall be returned to the Contract.

**(b) Non-Qualified Plans**

The Contractor will be reimbursed for costs for the Non-Qualified Plans only in accordance with the following:

- (1) Eligible compensation for purposes of the Triad Restoration Plan and the Triad 401(a)(17) Restoration Plan shall be limited only to the compensation reimbursed under the Contract.
- (2) Any necessary changes to the Triad Restoration Plan and the Triad 401(a)(17) Restoration Plan that need to be made to effect the participation and compensation limitations set forth in Section 6.0(b)(1) of this Appendix, shall be made no later than 120 days after the effectuation of the modification incorporating the Personnel Appendix.
- (3) The Triad Restoration Plan and the Triad 401(a)(17) Restoration Plan are funded on a pay-as-you-go basis. Amendments to the Triad Restoration Plan and the Triad 401(a)(17) Restoration Plan require approval of the Contracting Officer.
- (4) No later than 60 days before the end of the fiscal year, the Contractor shall report the following data to the Contracting Officer: number of individuals receiving Non-Qualified Plan benefits, benefits amounts paid to individuals in the previous calendar year, supporting data to determine the benefit paid, and any other data as requested by the Contracting Officer.

**7.0 Paid Leaves of Absence**

Over the next year after the effectuation of the Contract modification incorporating this Personnel Appendix, the Contractor will undergo a comprehensive review of all paid leave policies, and associated policies, in order to develop an overall strategy for paid leave. No later than October 1, 2021, the Contractor will submit for approval to the Contracting Officer a written proposal for the redesign of vacation, sick and paid time off policies based on the comprehensive review undertaken on its paid leave policies. The written proposal shall include the rationale for the paid leave changes proposed and shall address the cost impact of the Contractor's proposed paid leave redesign on the Employee Benefits Cost Study Comparison as that term is defined in Section J, Appendix A, Statement of Work, Chapter III, Section 4.1.5.3.



The Contractor is authorized to provide the following types of paid leave to full and part-time, non-bargaining unit employees. Casual Employees are not eligible for paid leave. Paid leave for bargaining unit employees is allowable if provided for in their respective collective bargaining agreements.

Paid leaves for non-bargaining unit employees are allowable as follows:

- *Holidays.* The Contractor may grant to employees up to ten paid, eight-hour holidays per calendar year.
- *Vacation.* The Contractor may grant full-time and part-time employees vacation according to the following chart, pro-rated for part-time employees:

Vacation			
	Start Date and Years of Service	Annual Accrual Rate	Maximum Allowable Accrual
	20 or more years	192 hours	384 hours
	15 or more years, but less than 20 years	168 hours	336 hours
	10 or more years, but less than 15 years	144 hours	288 hours
	Less than 10 years	120 hours	240 hours

The Contractor may approve additional vacation grants or accrual rates in individual cases. The Laboratory Director shall approve any such additional vacation grants or accrual rates for individual employees and such approval shall be documented.

- *Sick Leave.* The Contractor may grant full-time and part-time employees sick leave according to the following chart, pro-rated for part-time employees:

**Sick Leave Accrual**

Start Date	Annual Accrual Rate
Before December 1, 1992	144 hours

Any Start Date On or After December 1, 1992	96 hours
---	----------

The Contractor shall not pay out unused sick leave to employees upon termination.

- *Job-Incurred Illness or Injury Leave.* The Contractor is authorized to provide full-time and part-time employees Job-Incurred Illness or Injury Leave that provides some portion of pay for up to 26 weeks' pay. The Contractor is authorized to provide this type of leave to part-time employees on a pro-rated basis. The Contractor is authorized to provide employees 100% of their normal salary during the seven-calendar day waiting period before workers' compensation payments begin. The Contractor may provide employees pay up to 80% of normal salary for the remaining 25 weeks associated with the Job-Incurred Illness or Injury Leave. The Contractor is required to ensure that payments provided to employees on a Job-Incurred Illness or Injury Leave are coordinated with any workers compensation payments provided to the employee so that the combined workers compensation payment plus the Contractor-provided supplemental Job-Incurred Illness or Injury Leave pay does not exceed 80% of the employee's regular weekly salary or average weekly wages. It is the policy of the Contractor that employees may not use vacation or sick leave while on Job-Incurred Illness or Injury Leave.
- *Fitness for Duty.* The Contractor is authorized to place an employee in paid leave status if the Contractor's Division of Occupational Health instructs the employee to remain off work pending the completion of a medical evaluation as to whether the person is fit for duty.
- *Emergency Activities.* The Contractor is authorized to grant employees paid leave for voluntary, uncompensated participation in emergency operations such as search and rescue, law enforcement support or firefighting. The emergency operations must be approved by a United States Government Agency, the Governor of New Mexico, the Los Alamos County Emergency Preparedness Director, an authorized fire department official, or an authorized law enforcement agency.
- *Civil Emergency Preparedness Training.* The Contractor is authorized to grant employees who are members of a Los Alamos County Emergency Preparedness organization up to 40 hours per year paid leave to participate in that organization's training programs and exercises.
- *Voting Time.* The Contractor is authorized to provide paid leave for voting to the extent required by state law.
- *Authorized Leave with Pay.* The Contractor may grant Exempt Employees up to three work days paid leave per calendar month when the Contractor has required the employee

to work significantly more hours than would be expected on a normal work schedule. The Contractor's time off grant should be roughly commensurate to the amount of additional time worked, beyond the Exempt Employee's normal schedule (e.g., if the employee worked 16 additional hours in a pay period, the Contractor would grant the employees two full days of paid leave). Additional Authorized Leave with Pay in excess of three days per month may be granted at the discretion of the Laboratory Director.

- *Jury Duty.* The Contractor may grant paid leave to employees for the purpose of jury duty.
- *Entrepreneurial Leave.* The Contractor may grant an unpaid leave of up to one year to employees to pursue entrepreneurial activities using LANL technology or intellectual property, while continuing to pay the employer premiums for medical, dental and vision insurance on the same basis as if the employee was in pay status.
- *Military Leave.* The Contractor is authorized to grant military leave with pay to an employee for up to thirty calendar days in a calendar year.
- *Military Supplemental.* The Contractor is authorized to grant supplemental payments equal to the difference between an employee's base pay and the employee's military pay and associated allowances, and continuing employer-paid contributions to health plan coverage when the employee has received orders to report for active duty in support of a named military campaign or national emergency.
- *Tribal Government Service Leave.* The Contractor is authorized to grant paid leave to an employee to serve as the tribal governor, tribal lieutenant governor, or tribal secretary of a federally-recognized Indian Tribe in accordance with the following chart:



Length of Laboratory Service	Percent of Full-Time Salary
Up to two years	50 percent
Two years or more but less than six years	55 percent
Six years or more	60 percent

- *Maternity Leave.* The Contractor may grant up to six consecutive weeks of paid leave to an employee for the delivery of a child and the recovery from childbirth, provided the employee has been an employee of the Contractor for at least thirty days prior to the birth.
- *Parental Leave.* The Contractor may grant up to three consecutive weeks of paid leave to an employee for purposes of bonding with the child newly born to the employee, or the newborn child of the employee's spouse or domestic partner, or a child newly placed for adoption with the employee, provided the employee has been an employee of the Contractor for at least thirty days prior to the birth or adoption placement.
- *Professional Research or Teaching Leave.* The Contractor may grant paid leave according to the following chart for purposes of teaching or conducting research at universities and research institutions. To the extent the employee receives partial payment from the university or research institution, the Contractor may provide payment to the employee as well, as long as the employee's total salary does not exceed the listed percentages.

Years of Service or Years Since Last PR or T Leave	PR or T Leave Up to Six months and Up to % Salary Below	PR or T Leave 6-12 Months and Up to % Salary Below
4 years	.89 salary	.44 salary
4 1/2 years	Regular salary	.50 salary
5 years	Regular salary	.56 salary

5 ½ years	Regular salary	.61 salary
6 years	Regular salary	.67 salary
7 years	Regular salary	.78 salary
8 years	Regular salary	.89 salary
9 years	Regular salary	Regular salary

Neither vacation nor sick leave will accrue to an employee while on Professional Research or Teaching Leave.

- *Advanced Study Leave.* The Contractor is authorized to grant an employee up to twelve months paid leave for full-time graduate-level study at an accredited college or university within the United States when attainment of the advanced degree will enhance LANL programmatic objectives. The Contractor is authorized to provide an employee full salary and benefits, except that the employee will not accrue sick leave or vacation. The Contractor is authorized to provide the employee reimbursement for tuition, books and related fees during the leave. The Contractor will require the employee to sign an agreement to reimburse all costs associated with the period of paid leave, including salary and benefits, if the employee does not remain employed by the Contractor for two years following completion of the leave.
- *Investigatory Leave.* The Contractor is authorized to place an employee on investigatory leave with pay if the Contractor deems it appropriate to do so during a disciplinary investigation.
- *Report Pay.* Leave for a condition that prevents employees from safely traveling to or performing work on site is allowable. Report Pay Leave is only available to employees who cannot telework. The Contractor does not need Contracting Officer approval to provide Report Pay Leave for events that last 24 hours or less. For events that implicate more than 24 hours of Report Pay Leave for Contractor employees, the Contractor must obtain advance approval, or as soon as practicable, to provide Report Pay Leave to its employees. The Contractor shall have policies and procedures to track Report Pay Leave and it must ensure employees do not receive both unemployment compensation and Report Pay or other paid time off. For events or conditions that exceed one week, and with Contracting Officer pre-approval, the Contractor may provide Report Pay Leave to

employees in an amount that is commensurate with employees' normal schedule; for example, an employee who works 20 hours per week receives 20 hours of Report Pay. However, for Non-Exempt Employees, in no event can Report Pay Leave be provided at more than 40 hours per week, even if the employee's normal work schedule exceeds 40 hours per week.

## **8.0 Training and Education**

### **a) General**

(1) The training and education shall be directly related to the employee's current position or to another position to which the employee may reasonably be moved.

(2) The Contractor shall establish written procedures outlining a system of approval for all requests for training and education. The system provides an approval structure for in-house and outside training programs and educational assistance. The Contractor University Entities, (the Regents of the University of California and the Texas A&M University System), and local colleges and universities, as appropriate, should be utilized as primary sources for training and education to the extent that the training or educational programming provided by the Contractor University Entities provides the best overall value to the NNSA.

### **b) Training**

(1) Internal Training Programs. Internal training programs may include but are not limited to orientation, job training, supervisory training, and executive development. Such training programs may be conducted during employee's workday or after hours to the extent no overtime is associated with the training, as overtime payments for training hours are unallowable under FAR 31.205-44(a). Reasonable costs of in-house training including necessary equipment, materials, and instructor personnel are allowable.

(2) External Training Programs. The Contractor may select employees to participate in job-related training courses, technical meetings, professional society meetings, seminars, conferences, and other specialized training courses away from the site(s) facilities. Allowable costs for such training courses may include employee's regular pay, travel and meals and incidental expenses (M&IE), and the cost of tuition, fees, and course materials. Conference management shall be managed in accordance with the DOE/NNSA conference management requirements.

### **c) Education**



(1) Academic cooperation program. The Laboratory Director may approve the assignment of certain selected individuals at the graduate or undergraduate level, who are currently enrolled in recognized colleges or universities, to projects proposed by the college or university and approved by the Contractor. Such assignments are to be made primarily to further the individual's training, experience, and education. The training the individual receives will be credited by the academic institution; these individuals shall not be paid by the Contractor. The Contractor is authorized to provide travel expenses and M&IE to individuals approved by the Laboratory Director under this program.

(2) Special employment programs. The Laboratory Director may authorize the administration of special employment programs for students at the postgraduate, graduate, undergraduate, and pre-college levels to the extent that these programs are consistent with FAR 31.205.44. Internship or membership fees associated with nationally recognized special employment programs that are paid to other institutions in support of these programs are allowable. The Laboratory Director may also authorize the administration of special employment programs for school teachers to advance science curriculum development in Northern New Mexico public schools. Costs associated with salaries, transportation, and relocations shall be in accordance with the Contract and shall be reported annually to the Contracting Officer. A description of the Contractor's special employment programs shall be provided to the Contracting Officer annually.

(3) Fellowship programs. The Contractor may incur costs associated with participation in programs (e.g., consortium arrangements such as the National Physical Sciences Consortium for Graduate Degrees for Minorities and Women and the National Consortium for Graduate Degrees for Minorities in Engineering, DOE/NNSA/Contractor academy/leadership programs, Laboratory science education initiatives) to provide graduate fellowships to students in science and engineering. Costs associated with employment of students shall include salaries, transportation, and relocation. A description of these programs shall be provided annually to the Contracting Officer.

The Contractor is authorized to operate a fellowship program to strengthen employment pipelines through consortium fellowships. Participants will be hired as either a Scientist 1 or a Research and Development Engineer 1. Participants are paid a full salary while working at the Los Alamos National Laboratory and a portion of their salary (50%) while away at school, if enrolled in full-time graduate level education. The program is limited to no more than twelve participants per year. A fellowship may not last more than two years. The Contractor will require fellowship participants to enter into an agreement indicating they will reimburse all costs, including salary and benefits, if the fellow does not remain employed by the Contractor for two months for every one month that the fellowship participant was

attending graduate school, upon the fellow's return to LANL after completion of the graduate work.

d) Honoraria

The Contractor is authorized to provide either a stipend or an honorarium and costs of travel and M&IE for a person chosen to give a lecture or to discuss topics of interest with Contractor employees.

(1) When payment of travel, M&IE, and honorarium is authorized, an honorarium in excess of \$1,500 shall require the Laboratory Director's approval.

(2) When payment of a stipend, in lieu of travel, M&IE, and honorarium, is authorized, a stipend in excess of \$2,000 shall require the Laboratory Director's approval.

The Contractor will provide a report with the names and associated stipend costs or honorarium plus travel costs for the previous calendar year to the Contracting Officer by April 1.

e) Service academy research program.

The Contractor may participate in a cooperative summer program with military academies by assigning members of the faculty (officers) and cadets/midshipmen to work in various LANL programs. During these periods of assignment the individuals shall continue to receive their military salary. The Contractor may reimburse the individuals for work-related travel costs and M&IE, during the period of assignment at LANL.

**9.0 Travel, Relocation, and Meals and incidental expenses (M&IE)**

The Contractor may reimburse transportation, lodging, and M&IE for employees who are required to travel in conjunction with the performance of work under this Contract. The Contractor also may reimburse transportation, lodging and M&IE for individuals who are not employees, but who are covered by an agreement (i.e., guest scientist) with the Contractor, to support work under the Contract and who are required to travel in conjunction with the performance of work under this Contract. Costs of the foregoing shall be allowable only to the extent they are incurred in accordance with the FAR, DEAR, and FTR and do not exceed the maximum per diem rates in effect at the time of travel set forth in the FTR, prescribed by the General Services Administration. To the extent that transportation, lodging and M&IE are addressed anywhere in this Personnel Appendix, all costs must be incurred in accordance with the FAR, DEAR, and FTR and such costs shall not exceed the



maximum per diem rates in effect at the time of travel set forth in the FTR, prescribed by the General Services Administration.

- a) The Contractor may deviate from this Appendix in specific instances where it is approved by the Contracting Officer to be economically advantageous to DOE/NNSA and to the extent such deviations conform to regulations and law. The Contractor will maintain records for audit review.
- b) The Contractor may provide relocation expenses for Exempt Employees and Non-Exempt employees with critical skills. Relocation expenses shall be incurred in accordance with the provisions, limitations and exclusions of the FAR and the FTR.
- c) The Contractor may provide reduced travel allowances for limited term hire employees supporting capital projects at the site. These allowances are limited to a one-year period and shall be made in accordance with the Contractor's approved policies that are in effect on the date that the Personnel Appendix is effectuated by modification to the Contract. Any deviations to the one-year limit or to the Contractor policies require Contracting Officer approval 30 days prior to the start date of the assignment.

#### **10.0 Recruiting**

- a) The Contractor may pay for the individual interviewee's, and spouse's or domestic partner's, transportation expenses and meals and incidental expenses in accordance with the DEAR, FAR and the FTR.
- b) The costs of recruitment of personnel including nominal costs for promotional items for recruitment purposes, employment advertising, services of staffing sourcing vendors, services of employment agencies at rates not in excess of standard commercial rates, participation in corporate recruiting activities, campus recruiting, and career fairs are allowable.
- c) If the Contractor requests that applicants who live more than 50 miles from LANL report to LANL for a pre-employment interview, the Contractor may pay for the applicant's transportation expenses, lodging, and MI&E, in accordance with the DEAR, FAR and FTR.

#### **11.0 Special Employee Activities**

- a) Service and retirement awards.

The Contractor may recognize employees' years of service and employees' retirement through award programs.



Up to 0.02% of the total salary base associated with full-time and part-time Exempt, Non-Exempt, and craft employees may be spent annually on service and retirement award programs.

b) Performance award programs.

(1) The Contractor may recognize employees or groups of employees who have distinguished themselves by their significant contributions and outstanding performance in the course of their work. The Contractor may provide awards to employees or groups of employees in the form of cash. Additionally, noteworthy achievements and special efforts may be recognized by the presentation of plaques, certificates, and memorabilia.

Up to 0.15% of the total salary base for full-time and part-time Exempt, Non-Exempt, and craft employees may be spent annually to fund performance award programs.

c) Employee Referral Program.

The Contractor is authorized to implement an Employee Referral Bonus Program. Contracting Officer approval is required for initial program implementation and all changes to policy impacting referral bonus maximums. The Contractor will provide the Contracting Officer an annual report addressing cost and program effectiveness.

d) Other Programs.

(1) Employee morale activities. Consistent with FAR 31.205-13, the Contractor may provide an employee morale program not to exceed \$16 per employee (full-time or part-time), per fiscal year.

(2) Wellness program. Costs of a wellness program to promote employee health and fitness are allowable. The wellness program shall be limited to activities related to stress management, smoking cessation, exercise, nutrition, and weight loss.

## **12.0 Community Involvement and Outreach Program**

The Contractor may authorize employees to participate in educational and community outreach consistent in accordance with the Community Involvement and Outreach Plan approved by the Contracting Officer. The salaries, wages, and fringe benefits of employees while engaged in such approved activities will be treated as allowable costs.

Educational and community outreach does not include activities conducted by elected or appointed officials during an employee's regularly scheduled work day. Compensation associated with educational and community outreach outside of the employee's normal work schedule shall not be reimbursed under the Contract. The Contractor shall submit a report annually, no later than November 1, to the Contracting Officer on the types of educational and community outreach and number of hours utilized in the fiscal year that ended the previous September 30. Some examples of permissible educational and community outreach include, but are not limited to:

- a) Promotion of Science, Technology, Engineering, and Mathematics in the educational setting (elementary school through higher education institutions)
- b) Science Bowl and Science Fairs
- c) Blood bank drives
- d) Charity drives
- e) Employee giving campaigns

### **13.0 Other Provisions**

- a) Personnel Borrowed

It is recognized that the technical and staffing needs of the Contractor will vary during performance of this Contract. The Contractor may develop a procedure subject to Contracting Officer approval to obtain direct support from employees of the Regents of University of California, Battelle Memorial Institute, Texas A&M University Systems (Contractor Parent Companies) to meet technical and staffing requirements on an as-needed basis. Services performed by Contractor Parent Company Personnel will be paid by the Contractor to the Contractor Parent Company at cost, without fee or profit. Any Contractor-developed procedure must require the Contractor Parent Company's direct costs and allocable indirect costs to be consistent with FAR 31.201-2 and will be subject to Contracting Officer advance approval. An annual report setting forth the assignments of Contractor Parent Company personnel shall be provided to the Contracting Officer.

- b) Contractor Personnel Loaned

The Contractor may loan, at no cost to the Government, personnel working under this Contract to other operations of Contractor Parent Companies on a non-interference basis as reasonably determined by the Contractor. Loans of personnel longer than 30 days require Contracting Officer approval. The receiving Contractor

Parent Companies will reimburse the Contractor for full allocable direct and indirect costs.

#### **14.0 Partnerships with Contractor University Entities**

The Contractor may establish reasonable partnerships with the Contractor University Entities in support of the Contract work. The purpose of these efforts will be to leverage scientific knowledge of the Contractor University Entities through such partnerships to develop solutions to scientific issues that benefit Contract work.

- a) Temporary Assignments of Contractor Employees to Other Institutions for Teaching and Research/Technical Exchange.

Contractor employees who are scientists and engineers may teach one course in the subjects of science, engineering or math every two years at any University of California or Texas A&M Campus or participate in a Research/Technical Exchange provided such activity supports the activities set out in the Statement of Work of the Contract. To the extent the employee receives partial payment from the university or research institution for such Assignment, the Contractor must reduce the employee's total salary to offset such payment. Such staff assignments shall be subject to review and approval by the cognizant Deputy Laboratory Director.

The Contractor will notify the Contracting Officer on an annual basis of personnel serving in Contractor University Partnerships.