| SOLICITATION, OFFER AND AWARD | 1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) | RATING | PAGE OF PAGES |
|---|---|---|---|
| | | DO E-2 | 1 / 333 |

| 2. CONTRACT NO. | 3. SOLICITATION NO. | 4. TYPE OF SOLICITATION | 5. DATE ISSUED | 6. REQUISITION/PURCHASE NO. |
|---|---|---|---|---|
| DE-NA0001942 | DE-SOL-0001458 | ☐ SEALED BID (IFB)<br>☒ NEGOTIATED (RFP) | 12/14/2011 | See Section B |

| 7. ISSUED BY | CODE | MOSD | 8. ADDRESS OFFER TO *(If other than Item 7)* |
|---|---|---|---|
| U.S. DEPARTMENT OF ENERGY<br>NATIONAL NUCLEAR SECURITY ADMINISTRATION<br>M&O CONTRACTING (NA-APM-113-1)<br>PO BOX 5400, ALBUQUERQUE, NM 87185-5400 | | | U.S. DEPARTMENT OF ENERGY<br>NATIONAL NUCLEAR SECURITY ADMINISTRATION<br>ATTN: DANIEL J. SAIZ<br>CONTRACTING OFFICER<br>MAIL STOP: MOSB<br>PO BOX 5400, ALBUQUERQUE, NM 87185-5400 |

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

## SOLICITATION

9. Sealed offers in original and (number and kind of copies are specified in Section L) copies for furnishing the supplies and/or services in the Schedule will be received at the place specified in item 8, until **1400** hour local time on **March 13, 2012.**

| 10. FOR INFORMATION CALL: | A. NAME | B. TELEPHONE *(Include area code) (NO COLLECT CALLS)* | C. E-MAIL ADDRESS |
|---|---|---|---|
| | **Daniel J. Saiz<br>Contracting Officer** | **(505) 845-5848** | **daniel.saiz@nnsa.doe.gov** |

11. TABLE OF CONTENTS

| (√) | SEC. | DESCRIPTION | PAGE(S) | (√) | SEC. | DESCRIPTION | PAGE(S) |
|---|---|---|---|---|---|---|---|
| | | *PART I - THE SCHEDULE* | | | | *PART II - CONTRACT CLAUSES* | |
| √ | A | SOLICITATION/CONTRACT FORM | 1 pg | √ | I | CONTRACT CLAUSES | 91 pgs |
| √ | B | SUPPLIES OR SERVICES AND PRICES/COSTS | 14 pgs | | | *PART III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACH.* | |
| √ | C | DESCRIPTION/SPECS./WORK STATEMENT | 1 pg | √ | J | LIST OF ATTACHMENTS | 94 pgs |
| √ | D | PACKAGING AND MARKING | 1 pg | | | *PART IV - REPRESENTATIONS AND INSTRUCTIONS* | |
| √ | E | INSPECTION AND ACCEPTANCE | 1 pg | √ | K | REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS | 37 pgs |
| √ | F | DELIVERIES OR PERFORMANCE | 8 pgs | | | | |
| √ | G | CONTRACT ADMINISTRATION DATA | 4 pgs | √ | L | INSTRS, CONDS, AND NOTICES TO OFFERORS | 67 pgs |
| √ | H | SPECIAL CONTRACT REQUIREMENTS | 5 pgs | √ | M | EVALUATION FACTORS FOR AWARD | 9 pgs |

**OFFER** *(Must be fully completed by offeror)*

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within **270** calendar days from the date of receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

| 13. DISCOUNT FOR PROMPT PAYMENT<br>Not Applicable | 10 CALENDAR DAYS<br>% | 20 CALENDAR DAYS<br>% | 30 CALENDAR DAYS<br>% | CALENDAR DAYS<br>% |
|---|---|---|---|---|

| 14. ACKNOWLEDGEMENTS OF AMENDMENTS *(The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated)* | AMENDMENT NO. | DATE | AMENDMENT NO. | DATE |
|---|---|---|---|---|
| | 001 | 2/2/12 | 003 | 3/26/12 |
| | 002 | 2/24/12 | 004 | 8/17/12 |

| 15A. NAME AND ADDRESS OF OFFEROR | CODE | FACILITY | 16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER *(Type or print)* |
|---|---|---|---|
| | **Consolidated Nuclear Security, LLC<br>5275 Westview Drive, Frederick, MD 21703-8306** | | **John Howanitz<br>Vice President, Bechtel National, Inc.** |

| 15B. TELEPHONE NO. *(Include area code)* | 15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE | 17. SIGNATURE | 18. OFFER DATE |
|---|---|---|---|
| **(301) 401-1775** | ☐ | [redacted] | **March 13, 2012** |

**AWARD** *(To be completed by Government)*

| 19. ACCEPTED AS TO ITEMS NUMBERED | 20. AMOUNT | 21. ACCOUNTING AND APPROPRIATION |
|---|---|---|
| | SEE SECTION B | See Clause B-2 |

| 22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:<br>Not Applicable<br>☐ 10 U.S.C. 2304(c)( ) ☐ 41 U.S.C. 253(c) ( ) | 23. SUBMIT INVOICES TO ADDRESS SHOWN IN<br>*Not Applicable* | ITEM |
|---|---|---|
| 24. ADMINISTERED BY *(If other than Item 7)* CODE<br>See Section G Clause entitled "Government Contacts" | 25. PAYMENT WILL BE MADE BY CODE<br>See Section I Clause entitled "Payments and Advances" | |

| 26. NAME OF CONTRACTING OFFICER *(Type or print)* | 27. UNITED STATES OF AMERICA | 28. AWARD DATE |
|---|---|---|
| Leticia Y. Barela | [redacted]<br>*(Signature of Contracting Officer)* | January 8, 2013 |

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

# PART I – THE SCHEDULE

## Table of Contents

**SECTION B** ..... 5

**SUPPLIES OR SERVICES AND PRICES/COSTS** ..... 5

**CLIN 0001 - MANAGEMENT AND OPERATION (M&O) OF Y12/PX** ..... 5

**CLIN 0001A - CONTRACT TRANSITION: COST REIMBURSEMENT, NO FEE (REPLACED 0015)** ..... 5

**CLIN 0001B - BASE TERM CLIN 0001B BASE TERM (1 JUL 2014 – 30 SEP 2019) (REPLACED 0015, 0052, 0055, 0084, 0121, 0128, 0148, 0162, 0165, 0211)** ..... 5

**CLIN 0001C - OPTION I TERM (1 OCT 2019 – 30 SEP 2021) (REPLACED 0015, 0121, 0148, 0165; MODFIED 0185, 0215)** ..... 6

**CLIN 0001D - OPTION II TERM (1 OCT 2021 – 30 SEP 2023) (REPLACED 0015, 0121, 0148, 0165; MODIFIED 0185)** ..... 6

**CLIN 0001E - OPTION III TERM (1 OCT 2023 – 30 JUN 2024) (REPLACED 0015, 0121, 0148, 0165; MODIEFIED 0185)** ..... 7

**CLIN 0001F - TRANSITION OF SAVANNAH RIVER TRITIUM OPERATIONS (SRTO) OPTION INTO THE CONTRACT** ..... 7

**CLIN 0001G - OPTION: SAVANNAH RIVER TRITIUM OPERATIONS (SRTO)** ..... 7

**CLIN 0001H - WORK FOR OTHERS/OTHER REIMBURSABLE WORK (REPLACED 0015, 0052, 0084, 0128, 0148; MODIFIED 0130, 0162, 0191, 0211, 0215)** ..... 8

**CLIN 0001I - MANAGEMENT AND OPERATION (M&O) OF Y12/PX (OCT 1, 2021-SEP 30, 2022) (ADDED 0236; MODIFIED 0252)** ..... 9

**CLIN 0001J - STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK (ADDED 0236; MODIFIED 0252)** ..... 10

**CLIN 0001K - MANAGEMENT & OPERATION (M&O) OF Y12/PX (OCT 1, 2022 – SEP 30, 2024); MANAGEMENT & OPERATION (M&O) OF Y12 (OCT 1, 2024 – SEP 30, 2025) (ADDED 0269, MODIFIED 0291)** 10

**CLIN 0001L - OPTION FOR MANAGEMENT & OPERATION (M&O) OF PX (OCT 1, 2024 – SEP 30, 2025) (ADDED 0269)** ..... 11

**CLIN 0001M – OPTION FOR MANAGEMENT & OPERATION (M&O) OF Y12 (OCT 1, 2025 – SEP 30, 2026) (ADDED 0269)** ..... 12

**CLIN 0001N - OPTION FOR MANAGEMENT & OPERATION (M&O) OF Y12 (OCT 1, 2026 – SEP 30, 2027) (ADDED 0269)** ..... 12

**CLIN 0001O – STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12/PX (OCT 1, 2022-SEP 30, 2024); STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12 (OCT 1, 2024-SEP 30, 2025) (ADDED 0269)** ..... 13

**CLIN 0001P – OPTION FOR STRATECHIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR PX (OCT 1, 2024-SEP 30, 2025) (ADDED 0269)** ..... 13

**CLIN 0001Q – OPTION FOR STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12 (OCT 1, 2025 – SEP 30, 2026) (ADDED 0269)** ..... 14

**CLIN 0001R – OPTION FOR STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12 (OCT 1, 2026 – SEP 30, 2027) (ADDED 0269)** ..... 14

**CLIN 0002 - URANIUM PROCESSING FACILITY (UPF) PROJECTMANAGEMENT** ..... 15

**SUB-CLIN 0002A - MAIN PROCESS BUILDING SUBPROJECT** ..... 15

SUB-CLIN 0002B - SALVAGE AND ACCOUNTABILITY BUIDLING SUBPROJECT ..... 16
SUB-CLIN 0002C - PROCESS SUPPORT FACILITIES SUBPROJECT ..... 16
SUB-CLIN - 0002D MECHANICAL ELECTRICAL BUILDING SUBPROJECT ..... 17
SUB-CLIN 0002E - SUBSTATION SUBPROJECT ..... 17
SUB-CLIN 0002F - SITE INFRASTRUCTURE AND SERVICES SUBPROJECT ..... 18
SUB-CLIN 0002G - SITE READINESS SUBPROJECT ..... 18
CLIN 0003 - CAPITAL CONSTRUCTION PROJECTS (ADDED 0185) ..... 18
B-1 CONTRACT TYPE AND VALUE (MODIFIED 0075, 0136, 0185, 0252; REPLACED 0084, 0091, 0157, 0165, 0191, 0236) ..... 19
B-2 CONTRACT TYPE AND VALUE (MODIFIED 0075, 0136, 0185, 0252; REPLACED 0084, 0091, 0157, 0165, 0191, 0236, 0291) ..... 19
B-3 SINGLE FEE (MODIFIED 0015, 0075, 0185) ..... 26
B-4 KEY PERSONNEL REPLACEMENT (Replaced 0269) ..... 26
B-5 OBLIGATION OF FUNDS (REPLACED 0317) ..... 28
B-6 AVAILABILITY OF APPROPRIATED FUNDS ..... 29
B-7 PERFORMANCE EVALUATION PLAN (PEP) (REPLACED 0015, 0165; MODIFIED 0179, 0193, 0236, 0252) 29
B-8 UPF FEE PLAN (ADDED 0015; REPLACED 0075; MODIFIED 0181) ..... 30
B-9 CAPITAL CONSTRUCTION PROJECTS FEE PLAN (ADDED 0185) ..... 31
B-10 ANNUAL FEE BASELINE APPLICABLE TO PERFORMANCE BEGEGINNING 01 OCTOBER 2022 (ADDED 0269) ..... 31
SECTION C ..... 33
DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK ..... 33
C-1 STATEMENT OF WORK ..... 33
SECTION D ..... 34
PACKAGING AND MARKING (Reserved) ..... 34
SECTION E ..... 35
INSPECTION AND ACCEPTANCE ..... 35
E-1 FAR 52.246-5 INSPECTION OF SERVICES – COST-REIMBURSEMENT (APR 1984) ..... 35
E-2 ACCEPTANCE ..... 35
SECTION F ..... 36
DELIVERIES OR PERFORMANCE ..... 36
F-1 FAR 52.242-15 STOP-WORK ORDER (AUG 1989) ALTERNATE I (APR 1984) ..... 36
F-2 PERIOD OF PERFORMANCE (REPLACED 0015, 0039, 0045, 0148, 0291; MODIFIED 0236, 0252) ..... 37
F-3 PRINCIPAL PLACE OF PERFORMANCE ..... 38
F-4 STOP WORK IN EVENT OF IMMINENT DANGER ..... 38
F-5 EVALUATION OF PERFORMANCE AND EXERCISE OF OPTION(S) (THIS CLAUSE APPLIES TO CLIN 0001 ONLY) (MODIFIED 0108, 0121, 0130, 0148, 0193) ..... 38
F-6 DELIVERABLES ..... 40

F-7 DELIVERABLES DURING TRANSITION ..... 40
F-8 DELIVERABLES DURING TRANSITION TO TWO SEPARATE M&O CONTRACTS (MODIFIED 0270) ..... 44
SECTION G ..... 46
G-1 GOVERNMENT CONTACTS & CORRESPONDENCE PROCEDURES (REPLACED 0015, 0045; MODIFIED 0108, 0291) ..... 46
G-2 MODIFICATION AUTHORITY ..... 48
G-3 DOE/NNSA PATENT COUNSEL ..... 48
G-4 DOE/NNSA ORGANIZATIONAL PROPERTY MANAGEMENT OFFICER ..... 49
G-5 CONTRACTOR CONTACT (REPLACED 0091, 0211, 0291) ..... 49
G-6 PERFORMANCE GUARANTEE(S) ..... 49
G-7 RECOGNITION OF PERFORMING ENTITY (REPLACED 0090, 0165) ..... 50
G-8 RESPONSIBLE CORPORATE OFFICIAL (REPLACED 0128, 0215, 0276) ..... 50
SECTION H ..... 51
SPECIAL CONTRACT REQUIREMENTS ..... 51
H-1 CONFIDENTIALITY OF INFORMATION ..... 51
H-2 NNSA PRIME CONTRACTS ..... 52
H-3 INSTRUCTIONS FOR UPDATING FOREIGN OWNERSHIP, CONTROL OR INFLUENCE (FOCI) INFORMATION (JUN 2011) ..... 53
H-4 CONTINUITY DURING TRANSITION ..... 53
H-5 SMALL BUSINESS PARTICIPATION ..... 54
H-6 PARENT OVERSIGHT PLAN ..... 54
H-7 LOBBYING RESTRICTION (FULL-YEAR CONTINUING APPROPRIATIONS ACT, 2011) ..... 55
H-8 CONSTRUCTION PROJECTS (REPLACED 0185) ..... 55
H-9 LIMITATION ON PROTECTIVE FORCE SUBCONTRACTING ..... 56
H-10 DEFINITION OF UNUSUALLY HAZARDOUS OR NUCLEAR RISK AND OTHER TERMS AS USED IN FAR CLAUSE 52.250-1, INDEMNIFICATION UNDER PUBLIC LAW 85-804 (ALTERNATE I – APR 1984) (ADDED 0008; MODIFIED 0090, 0165, 0195) ..... 56
H-11 DOE-H-2068 CONFERENCE MANAGEMENT (MAR 2023) (ADDED 0015, REPLACED 0042, 0291) ..... 61
H-12 MANAGEMENT AND OPERATING (M&O) SUBCONTRACT REPORTING (SEP 2015) (ADDED 0042) ..... 63
H-13 PRIVACY ACT SYSTEMS OF RECORDS (ADDED 0091) ..... 64
H-14 LABORATORY, PLANT AND SITE STRATEGIC PLANNING (ADDED 0175) ..... 64
H-15 PAID LEAVE UNDER SECTION 3610 OF THE CORONAVIRUS AID, RELIEF, AND SECURITY ACT (CARES ACT) TO MAINTAIN EMPLOYEES AND SUBCONTRACTORS IN A READY STATE (APRIL 2020). (ADDED 0196; MODIFIED 0206, 0212, 0216, 0220, 0225) ..... 64
H-16 CORONAVIRUS (COVID-19) VACCINE (ADDED 0217) ..... 65
H-17 PROHIBITION ON FUNDING FOR CERTAIN NONDISCLOSURE AGREEMENTS (ADDED 0227) ..... 65
H-18 PERSONAL PROTECTIVE EQUIPMENT (PPE) STRATEGIC RESERVE (ADDED 0230) ..... 66
H-19 DOE-H-2084 MITIGATING SUPPLY CHAIN RISK (OCT 2022) (ADDED 0291) ..... 66
H-20 DOE-H-2084 MITIGATING SUPPLY CHAIN RISK USING ENHANCED PROCUREMENT AUTHORITY FOR INFORMATION AND COMMUNICATION TECHNOLOGY (OCT 2022) (ADDED 0291) ..... 67

**H-21 DOE-H-2084 MITIGATING SUPPLY CHAIN RISK USING ENHANCED PROCUREMENT AUTHORITY FOR NATIONAL SECURITY SYSTEMS, NUCLEAR WEAPONS COMPONENTS AND ASSOCIATED ITEM (OCT 2022) (ADDED 0291) ..... 68**

# SECTION B

## SUPPLIES OR SERVICES AND PRICES/COSTS

### CLIN 0001 - MANAGEMENT AND OPERATION (M&O) OF Y12/PX

### CLIN 0001A - CONTRACT TRANSITION: COST REIMBURSEMENT, NO FEE (REPLACED 0015)

*Services being Acquired under this Contract Line Item Number (CLIN):* The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely transition from the existing contracts to the new contract to operate the Y-12 National Security Complex (Y-12) and the Pantex Plant (PX), (hereinafter referred to as "the Sites").

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

### CLIN 0001B - BASE TERM CLIN 0001B BASE TERM (1 JUL 2014 – 30 SEP 2019) (REPLACED 0015, 0052, 0055, 0084, 0121, 0128, 0148, 0162, 0165, 0211)

Services being Acquired under this CLIN: The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, material, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H and CLIN 0002. The fee available is:

| Performance Period | Fixed Fee (FF) | Available Award Fee (AF) | Total Available Fee (FF+AF) | Total Fee Earned | Estimated Cost Savings Incentive Fee (CSIF) | CSIF Earned |
|---|---|---|---|---|---|---|
| 1 Jul 2014 – 30 Sep 2015 | $29,949,750 | $19,966,500 | $49,916,250 | $41,330,657 | $21,439,000 | $18,599,621 |
| 1 Oct 2015 – 30 Sep 2016 | NA | $39,933,000 | $39,933,000 | $30,648,578 | $42,104,000 | $18,293,442 |
| 1 Oct 2016 – 30 Sep 2017 | NA | $39,933,000 | $39,933,000 | $34,921,409 | $28,930,000 | $12,639,224 |
| 1 Oct 2017 - 30 Sep 2018 | NA | $39,933,000 | $39,933,000 | $35,340,705 | $40,093,000 | $27,993,078 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 Oct 2018 – 30 Sep 2019 | NA | $39,933,000 | $39,933,000 | $28,252,598 | $27,443,000 | $30,300,292 |

[*Performance Period 1 (Jul 2014 – 30 Sep 2015) is a 15 month period of performance and Performance Period 10 (Oct 2023 – 30 Jun 2024) will be a 9 month period of performance to align with the Government Fiscal Year.]

**CLIN 0001C - OPTION I TERM (1 OCT 2019 – 30 SEP 2021) (REPLACED 0015, 0121, 0148, 0165; MODFIED 0185, 0215)**

*Services being Acquired under this CLIN:* Pursuant to the exercise of this option via Modification No. 0130 dated March 29, 2018, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H, CLIN 0002 and CLIN 0003. This CLIN includes construction projects other than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects the parties mutually agree will be performed under CLIN 0003. The fee available under CLIN 0001C is:

| Performance Period | Fixed Fee (FF) | Available Award Fee (AF) | Total Available Fee (FF + AF) | Total Fee Earned | Estimated CSIF | CSIF Earned |
|---|---|---|---|---|---|---|
| 1 Oct 2019 – 30 Sep 2020 | NA | $39,933,000 | $39,933,000 | $35,121,074 | $14,933,000 | |
| 1 Oct 2020 – 30 Sep 2021 | NA | $39,933,000 | $39,933,000 | | $13,633,000 | |

**CLIN 0001D - OPTION II TERM (1 OCT 2021 – 30 SEP 2023) (REPLACED 0015, 0121, 0148, 0165; MODIFIED 0185)**

*Services being Acquired under this CLIN* If this option is exercised the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H, CLIN 0002 and CLIN 0003. This CLIN includes construction projects other than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects that the parties mutually agree will be performed under CLIN 0003. The fee available under CLIN 0001D is:

| Performance Period | Fixed Fee (FF) | Available Award Fee (AF) | Total Available Fee (FF + AF) | Total Fee Earned | Estimated CSIF | CSIF Earned |
|---|---|---|---|---|---|---|
| 1 Oct 2021 – 30 Sep 2022 | NA | $39,933,000 | $39,933,000 | | $14,070,000 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 Oct 2022 – 30 Sep 2023 | NA | $39,933,000 | $39,933,000 | | $13,515,000 | |

**CLIN 0001E - OPTION III TERM (1 OCT 2023 – 30 JUN 2024) (REPLACED 0015, 0121, 0148, 0165; MODIEFIED 0185)**

*Services being Acquired under this CLIN:* If this option is exercised the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H, CLIN 0002 and CLIN 0003. This CLIN includes construction projects other than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects that the parties mutually agree will be performed under CLIN 0003. The fee available under CLIN 0001E:

| Performance Period | Fixed Fee (FF) | Available Award Fee (AF) | Total Available Fee (FF + AF) | Total Fee Earned | Estimated CSIF | CSIF Earned |
|---|---|---|---|---|---|---|
| 1 Oct 2023 – 30 Jun 2024 | NA | $29,949,750 | $29,949,750 | | $21,914,000 | |

**CLIN 0001F - TRANSITION OF SAVANNAH RIVER TRITIUM OPERATIONS (SRTO) OPTION INTO THE CONTRACT**

*Services being Acquired under this CLIN:* If this option is exercised, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely transition SRTO from the incumbent contract to this M&O contract.

The transition period for incorporation of the SRTO effort of six months will be on a cost reimbursement basis and the estimated cost is $ TBD**. There will be no fee earned or paid for SRTO transition activities.

[**The estimated cost will be established with the Contractor at the time of option exercise and prior to commencement of the Transition Term.]

**CLIN 0001G - OPTION: SAVANNAH RIVER TRITIUM OPERATIONS (SRTO)**

*Services being Acquired under this CLIN:* If this option is exercised, the Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely manage and operate the SRTO. If this option is exercised, the contract will be modified to revise the services being acquired and to increase the fee available amounts to add SRTO effort to CLIN 0001B, 0001C, 0001D, and 0001E.

**CLIN 0001H - WORK FOR OTHERS/OTHER REIMBURSABLE WORK (REPLACED 0015, 0052, 0084, 0128, 0148; MODIFIED 0130, 0162, 0191, 0211, 0215)**

*Services being Acquired under this CLIN:* The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Strategic Partnership Projects/Other Reimbursable Work, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely perform all Strategic Partnership Projects and Other Reimbursable Work efforts as directed by the Contracting Officer.

| Performance Period | Estimated Cost | Available Fixed Fee | Estimated Cost + Available Fixed Fee | Actual Cost | Actual Fee Earned |
|---|---|---|---|---|---|
| 1 Jul 2014 – 30 Sep 2015 | $41,161,000 | $1,235,000 | $42,396,000 | $38,030,466.67 | $1,140,914 |
| 1 Oct 2015 – 30 Sep 2016 | $43,934,854 | $1,318,046 | $45,252,900 | $37,088,447.33 | $1,112,653.42 |
| 1 Oct 2016 – 30 Sep 2017 | $38,900,000 | $1,167,000 | $40,067,000 | $39,068,943 | $1,172,068.29 |
| 1 Oct 2017 – 30 Sep 2018 | $47,545,633 | $1,426,369 | $48,972,002 | $33,268,200 | $998,046 |
| 1 Oct 2018 – 30 Sep 2019 | $49,456,722 | $1,483,701 | $50,940,423 | $44,507,703 | $1,335,231 |
| OPTION I | ********** | ********** | ********** | ********** | ********** |
| 1 Oct 2019 - 30 Sep 2020 | $66,783,791 | $2,065,478 | $68,849,269 | $50,759,839 | $1,522,795 |
| 1 Oct 2020 - 30 Sep 2021 | $81,432,341 | $2,518,526 | $83,950,867 | | |
| OPTION II | ********** | ********** | ********** | ********** | ********** |
| 1 Oct 2021 - 30 Sep 2022 | | | | | |
| 1 Oct 2022 - 30 Sep 2023 | | | | | |
| OPTION III | ********** | ********** | ********** | | ********** |
| 1 Oct 2023 - 30 Jun 2024 | | | | | |

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

**CLIN 0001I - MANAGEMENT AND OPERATION (M&O) OF Y12/PX (OCT 1, 2021-SEP 30, 2022) (ADDED 0236; MODIFIED 0252)**

*Services being Acquired under this CLIN:* The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001J, CLIN 0002 and CLIN 0003. This CLIN includes construction projects other than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects the parties mutually agree will be performed under CLIN 0003. The period of performance for this CLIN is 1 year. The fee available under CLIN 0001I for the period 10/1/2021 to 3/31/2022 is:

| Performance Period | Fixed Fee (FF) | Available Award Fee (AF) | Total Available Fee (FF + AF) | Total Earned Award Fee | Cost Savings Fixed Fee | Total Earned Fee |
|---|---|---|---|---|---|---|
| **October 2021** | $ 697,000 | $ 3,571,000 | $ 4,268,000 | TBD | $ 679,000 | TBD |
| **November 2021** | $ 880,000 | $ 4,511,000 | $ 5,391,000 | TBD | $ 856,000 | TBD |
| **December 2021** | $ 919,000 | $ 4,710,000 | $ 5,629,000 | TBD | $ 894,000 | TBD |
| **January 2022** | $ 826,000 | $ 4,232,000 | $ 5,058,000 | TBD | $ 803,000 | TBD |
| **February 2022** | $ 870,000 | $ 4,460,000 | $ 5,330,000 | TBD | $ 847,000 | TBD |
| **March 2022** | $ 1,041,000 | $ 5,337,000 | $ 6,378,000 | TBD | $ 1,013,000 | TBD |
| **Total** | $ 5,233,000 | $ 26,821,000 | $ 32,054,000 | TBD | $ 5,092,000 | TBD |

The fee available for the period 4/1/2022 to 09/30/2022 is:

| Performance Period | Fixed Fee (FF) | Award Fee (AF) | Total Available Fee (FF+AF) | Total Earned AF | Total Earned Fee |
|---|---|---|---|---|---|
| April 2022 | $899,000 | $4,605,000 | $5,504,000 | TBD | TBD |
| May 2022 | $903,000 | $4,627,000 | $5,530,000 | TBD | TBD |
| June 2022 | $995,000 | $5,100,000 | $6,095,000 | TBD | TBD |
| July 2022 | $905,000 | $4,638,000 | $5,543,000 | TBD | TBD |
| August 2022 | $972,000 | $4,982,000 | $5,954,000 | TBD | TBD |
| September 2022 | $1,207,000 | $6,185,000 | $7,392,000 | TBD | TBD |
| **Total** | $5,881,000 | $30,137,000 | $36,018,000 | TBD | TBD |

## CLIN 0001J - STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK (ADDED 0236; MODIFIED 0252)

*Services being Acquired under this CLIN*: The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Strategic Partnership Projects/Other Reimbursable Work, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely perform all Strategic Partnership Projects and Other Reimbursable Work efforts as directed by the Contracting Officer.

The period of performance for this CLIN is 1 year as specified in the tables below. The fixed fee under CLIN 0001J for the period 10/1/2021 to 3/31/2022 is:

| **CLIN 0001J STRATEGIC PARTNERSHIP PROJECTS /OTHER REIMBURSABLE WORK** | | | |
|---|---|---|---|
| **Period** | **Fee Base** | **Fixed Fee** | **Fee Base + Fixed Fee** |
| **October 2021** | $3,938,000 | $98,000 | $4,036,000 |
| **November 2021** | $3,821,000 | $96,000 | $3,917,000 |
| **December 2021** | $2,421,000 | $61,000 | $2,482,000 |
| **January 2022** | $3,224,000 | $81,000 | $3,305,000 |
| **February 2022** | $2,924,000 | $73,000 | $2,997,000 |
| **March 2022** | $4,136,000 | $103,000 | $4,239,000 |
| **Total** | **$20,464,000** | **$512,000** | **$20,976,000** |

The fee available for the period 4/1/2022 to 09/30/2022 is:

| **CLIN 0001J STRATEGIC PARTNERSHIP PROJECTS /OTHER REIMBURSABLE WORK** | | | |
|---|---|---|---|
| **Period** | **Fee Base** | **Fixed Fee** | **Fee Base + Fixed Fee** |
| April 2022 | $2,730,000 | $68,000 | $2,798,000 |
| May 2022 | $2,530,000 | $63,000 | $2,593,000 |
| June 2022 | $3,376,000 | $84,000 | $3,460,000 |
| July 2022 | $4,018,000 | $100,000 | $4,118,000 |
| August 2022 | $2,695,000 | $67,000 | $2,762,000 |
| September 2022 | $4,294,000 | $107,000 | $4,401,000 |
| | **$19,643,000** | **$489,000** | **$20,132,000** |

## CLIN 0001K - MANAGEMENT & OPERATION (M&O) OF Y12/PX (OCT 1, 2022 – SEP 30, 2024); MANAGEMENT & OPERATION (M&O) OF Y12 (OCT 1, 2024 – SEP 30, 2025) (ADDED 0269, MODIFIED 0291)

*Note*: Site Separation Activities will be considered fully executed only when both parties agree that all deliverables and activities required for each site to operate independently have been completed.

*Services being Acquired under this CLIN*: The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001O, CLIN 0002 and CLIN 0003. This CLIN includes construction projects other than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects the parties mutually agree will be performed under CLIN 0003.

For the period October 1, 2022 – September 30, 2024, the Fee Rate shall not exceed 3.75% applied to the AFB for M&O Activities and 1% applied to the AFB for Site Separation Activities for a total available fee rate of 4.75%.

For the period October 1, 2024 – September 30, 2025, the Fee Rate shall not exceed 3.75% for the management and operation of Y12. Should Site Separation Activities continue during this option's performance period, an additional monthly prorated fee percent of 1% shall be provided based on a mutually agreed-to schedule duration (e.g., if the parties mutually agree to a three-month completion schedule for Site Separation Activities, the applicable available award fee would be .01*(3/12)*AFB).

The award fee available under CLIN 0001K is:

| **Performance Period** | **AFB (Fee Base)** | **Available Award Fee (AF)** | **Total Fee Earned** |
|---|---|---|---|
| 01 Oct 2022 – 30 Sep 2023 | $2,372,642,591 | $112,700,523 | |
| 01 Oct 2023 – 30 Sep 2024 | TBD in accordance with AFB | TBD in accordance with B-10 ANNUAL FEE BASELINE | |
| *01 Oct 2024 – 30 Sep 2025 | TBD in accordance with AFB | TBD in accordance with B-10 ANNUAL FEE BASELINE | |

*NOTE: Fee represents Y-12 operation only

**CLIN 0001L - OPTION FOR MANAGEMENT & OPERATION (M&O) OF PX (OCT 1, 2024 – SEP 30, 2025) (ADDED 0269)**

*Note*: Site Separation Activities will be considered fully executed only when both parties agree that all deliverables and activities required for each site to operate independently have been completed.

*Services being Acquired under this CLIN*: The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001P CLIN 0002 and CLIN 0003. This CLIN includes construction projects other

than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects the parties mutually agree will be performed under CLIN 0003.

The Fee Rate shall be 3.75% for management and operation of the Pantex Plant. Should Site Separation Activities continue during this option's performance period, an additional monthly prorated fee percent of 1% shall be provided based on a mutually agreed-to schedule duration (e.g., if the parties mutually agree to a three-month completion schedule for Site Separation Activities, the applicable available award fee would be .01*(3/12)*AFB). The award fee available under CLIN 0001L is:

| **Performance Period** | **AFB (Fee Base)** | **Available Award Fee (AF)** | **Total Fee Earned** |
|---|---|---|---|
| *01 Oct 2024 – 30 Sep 2025 | TBD in accordance with AFB | TBD in accordance with B-10 ANNUAL FEE BASELINE | TBD |

*Note: Fee represents PX operation only

**CLIN 0001M – OPTION FOR MANAGEMENT & OPERATION (M&O) OF Y12 (OCT 1, 2025 – SEP 30, 2026) (ADDED 0269)**

*Services being Acquired under this CLIN*: The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001Q, CLIN 0002 and CLIN 0003. This CLIN includes construction projects other than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects the parties mutually agree will be performed under CLIN 0003.

For Y12 Only Operations, the Fee Rate shall not exceed 3.75%. The award fee available under CLIN 0001M is:

| **Performance Period** | **AFB (Fee Base)** | **Available Award Fee (AF)** | **Total Fee Earned** |
|---|---|---|---|
| 01 Oct 2025 – 30 Sep 2026 | TBD in accordance with AFB | TBD in accordance with B-10 ANNUAL FEE BASELINE | TBD |

**CLIN 0001N - OPTION FOR MANAGEMENT & OPERATION (M&O) OF Y12 (OCT 1, 2026 – SEP 30, 2027) (ADDED 0269)**

*Services being Acquired under this CLIN*: The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely completing all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by

CLIN 0001R, CLIN 0002 and CLIN 0003. This CLIN includes construction projects other than: (1) Capital Construction Projects as defined in Clause H-8 of this Contract, and (2) any other construction projects the parties mutually agree will be performed under CLIN 0003.

For Y12 Only Operations, the Fee Rate shall not exceed 3.75%. The award fee available under CLIN 0001N is:

| Performance Period | AFB (Fee Base) | Available Award Fee (AF) | Total Fee Earned |
|---|---|---|---|
| 01 Oct 2026 – 30 Sep 2027 | TBD in accordance with AFB | TBD in accordance with B-10 ANNUAL FEE BASELINE | TBD |

**CLIN 0001O – STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12/PX (OCT 1, 2022-SEP 30, 2024); STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12 (OCT 1, 2024-SEP 30, 2025) (ADDED 0269)**

The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Strategic Partnership Projects/Other Reimbursable Work, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely perform all Strategic Partnership Projects and Other Reimbursable Work efforts as directed by the Contracting Officer. The fixed fee rate shall not exceed 3%.

The fee available under CLIN 0001O is:

| Performance Period | Fee Base | Fixed Fee (FF) | Fee Base + Fixed Fee |
|---|---|---|---|
| 01 Oct 2022 – 30 Sep 2023 | TBD | TBD | TBD |
| 01 Oct 2023 – 30 Sep 2024 | TBD | TBD | TBD |
| *01 Oct 2024 – 30 Sep 2025 | TBD | TBD | TBD |

*Note: SPP work for Y-12 operation only

**CLIN 0001P – OPTION FOR STRATECHIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR PX (OCT 1, 2024-SEP 30, 2025) (ADDED 0269)**

The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Strategic Partnership Projects/Other Reimbursable Work, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely perform all Strategic Partnership Projects and Other Reimbursable Work efforts as directed by the Contracting Officer. The fixed fee rate shall not exceed 3%.

The fee available under CLIN 0001P is:

| Performance Period | Fee Base | Fixed Fee (FF) | Fee Base + Fixed Fee |
|---|---|---|---|
| *01 Oct 2024 – 30 Sep 2025 | TBD | TBD | TBD |

*Note: SPP work for PX operation only

**CLIN 0001Q – OPTION FOR STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12 (OCT 1, 2025 – SEP 30, 2026) (ADDED 0269)**

The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Strategic Partnership Projects/Other Reimbursable Work, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely perform all Strategic Partnership Projects and Other Reimbursable Work efforts as directed by the Contracting Officer. The fixed fee rate shall not exceed 3%.

The fee available under CLIN 0001Q is:

| Performance Period | Fee Base | Fixed Fee (FF) | Fee Base + Fixed Fee |
|---|---|---|---|
| 01 Oct 2025 – 30 Sep 2026 | TBD | TBD | TBD |

*Note: SPP work for Y-12 operation only

**CLIN 0001R – OPTION FOR STRATEGIC PARTNERSHIP PROJECTS/OTHER REIMBURSABLE WORK FOR Y12 (OCT 1, 2026 – SEP 30, 2027) (ADDED 0269)**

The Contractor shall, in accordance with Section J, Appendix A, Chapter II,1.3 Strategic Partnership Projects/Other Reimbursable Work, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely perform all Strategic Partnership Projects and Other Reimbursable Work efforts as directed by the Contracting Officer. The fixed fee rate shall not exceed 3%.

The fee available under CLIN 0001R is:

| Performance Period | Fee Base | Fixed Fee (FF) | Fee Base + Fixed Fee |
|---|---|---|---|
| 01 Oct 2026 – 30 Sep 2027 | TBD | TBD | TBD |

*Note: SPP work for Y-12 operation only

## CLIN 0002 - URANIUM PROCESSING FACILITY (UPF) PROJECT MANAGEMENT
**(REPLACED 0015, 0075, 0201)**

added to all costs previously incurred, will exceed 75 percent of the total amount obligated to this CLIN, as specified in
Section B-5 of this Contract.

The UPF Fee Plan and Supplementary Annexes in Section J, Appendix B-2 shall be the basis upon which the Government determines the amount of Contractor Earned Fee for this CLIN.

(a) The UPF Project is being executed by means of seven (7) authorized Subprojects via a combination of Critical Decision (CD) approvals: 1) Main Process Building, 2) Salvage & Accountability Building, 3) Process Support Facilities, 4) Mechanical Electrical Building, 5) Substation, 6) Site Infrastructure and Services, and 7) Site Readiness.

(b) The period of performance for the UPF Project is July 1, 2014, through December 31, 2025.

(c) The values shown below represent the negotiated rollup of all seven (7) authorized subprojects, inclusive of design and other authorized scope, as established in the UPF Fee Plan and Supplemental Annexes.

| | |
|---|---|
| ESTIMATED COST | $4,421,467,972.00 |
| AVAILABLE FEE | $220,676,707.00 |
| CLIN 0002 ESTIMATED CONTRACT PRICE | $4,642,144,679.00 |

(d) The estimated contract price for the UPF Project represents a role up of the following SUBCLINS, including available fee, subject to a final fee determination by the Government.

## SUB-CLIN 0002A - MAIN PROCESS BUILDING SUBPROJECT

(a) This SUB-CLIN 0002A for Main Process Building (MPB) Subproject utilizes a cost-reimbursement type Contract with terms for an incentive fee structure, whereby the Contractor can earn fee in accordance with the UPF Fee Plan – Master Annex.

(b) The MPB will house casting, special oxide production, furnace, repackaging, high-equity calcination, and non-destructive analysis required to safely operate the UPF facility.

(c) The period of performance for MPB is March 21, 2018, through December 31, 2025.

| | |
|---|---|
| ESTIMATED COST | $3,156,684,835.00 |
| AVAILABLE FEE | $157,834,241.00 |
| SUB-CLIN 0002A ESTIMATED CONTRACT PRICE | $3,314,519,076.00 |

(d) The estimated contract price for MPB Subproject represents the authorized MPB scope and combined Contract Budget Base (CBB), including available fee, subject to a final fee determination by the Government.

(e) The MPB combined CBB includes MPB work to go, Design Management Plan (DMP), and Site Preparation and Long Lead Procurements (SP/LL).

DESIGN MANAGEMENT PLAN

- The DMP scope supports the UPF Project by requiring completion of the Conceptual, Preliminary, and Final design, including all the associated safety basis documents required for

achieving design completion requirements and critical decisions, before nuclear facility construction authorization.

- The period of performance for DMP is July 1, 2014, through February 16, 2018.
- The values below represent the negotiated DMP values as revised in Annex 1.

| | |
|---|---|
| ESTIMATED COST | $898,599,119.00 |
| AVAILABLE FEE | $44,929,956.00 |
| DMP ESTIMATED CONTRACT PRICE | $943,529,075.00 |

SITE PREPARATION AND LONG LEAD PROCUREMENT

- The SP/LL scope supports the UPF Project by requiring completion of key critical-path site preparation construction work and long lead procurements required for subsequent nuclear facility construction.
- The period of performance for SP/LL is June 28, 2016, through October 15, 2018.
- The values below represent the negotiated SP/LL values as revised in Annex 4.

| | |
|---|---|
| ESTIMATED COST | $109,472,415.00 |
| AVAILABLE FEE | $5,473,620.00 |
| SP/LL ESTIMATED CONTRACT PRICE | $114,946,035.00 |

## SUB-CLIN 0002B - SALVAGE AND ACCOUNTABILITY BUIDLING SUBPROJECT

(a) This SUB-CLIN 0002B for Salvage and Accountability Building (SAB) Subproject utilizes a cost-reimbursement type Contract with terms for an incentive fee structure, whereby the Contractor can earn fee in accordance with the UPF Fee Plan – Master Annex.

(b) The SAB will house low equity calcination and leaching, chemical recovery, maintenance, non-destructive analysis, and decontamination areas.

(c) The period of performance for SAB is March 21, 2018, through December 31, 2025.

| | |
|---|---|
| ESTIMATED COST | $881,352,771.00 |
| AVAILABLE FEE | $44,067,639.00 |
| SUB-CLIN 0002A ESTIMATED CONTRACT PRICE | $925,420,410.00 |

(d) The estimated contract price for SAB Subproject represents the authorized SAB scope and Contract Budget Base (CBB), including available fee, subject to a final fee determination by the Government.

## SUB-CLIN 0002C - PROCESS SUPPORT FACILITIES SUBPROJECT

(a) This SUB-CLIN 0002C for Process Support Facilities (PSF) Subproject utilizes a cost-reimbursement type Contract with terms for an incentive fee structure, whereby the Contractor can earn fee in accordance with the UPF Fee Plan – Master Annex.

(b) The PSF will house chilled and demineralized water, instrument air, and chemical and gas storage needed to support the MPB and SAB.

(c) The period of performance for PSF is March 21, 2018, through December 31, 2025.

| | |
|---|---|
| ESTIMATED COST | $110,961,381.00 |
| AVAILABLE FEE | $5,548,069.00 |
| SUB-CLIN 0002C ESTIMATED CONTRACT PRICE | $116,509,450.00 |

(c) The estimated contract price for PSF Subproject represents the authorized PSF scope and Contract Budget Base (CBB), including available fee, subject to a final fee determination by the Government.

## SUB-CLIN - 0002D MECHANICAL ELECTRICAL BUILDING SUBPROJECT

(a) This SUB-CLIN 0002D for Mechanical Electrical Building (MEB) Subproject utilizes a cost-reimbursement type Contract with terms for an incentive fee structure, whereby the Contractor can earn fee in accordance with the UPF Fee Plan – Master Annex.

(b) The MEB will house utility support systems for both the MPB and the SAB.

(c) The period of performance for MEB is December 12, 2016, through January 17, 2022.

| | |
|---|---|
| ESTIMATED COST | $229,389,865.00 |
| AVAILABLE FEE | $11,469,493.00 |
| SUB-CLIN 0002D ESTIMATED CONTRACT PRICE | $240,859,358.00 |

(d) The estimated contract price for MEB Subproject represents the authorized MEB scope and Contract Budget Base (CBB), including available fee, subject to a final fee determination by the Government.

## SUB-CLIN 0002E - SUBSTATION SUBPROJECT

(a) This SUB-CLIN 0002E for Substation (SS) Subproject utilizes a cost-reimbursement type Contract with terms for a fixed fee structure, whereby the Contractor can earn fee in accordance with the UPF Fee Plan - Annex 5.

(b) The SS scope supports the UPF Project by requiring completion of key critical-path power requirements required for subsequent nuclear facility operation.

(c) The period of performance for SS is September 14, 2016, through June 24, 2020.

(d) The values shown below represent the negotiated SS values as established in Annex 5.

| | |
|---|---|
| ESTIMATED COST | $5,374,177.00 |
| FIXED FEE | $268,711.00 |
| SUB-CLIN 0002E ESTIMATED CONTRACT PRICE | $5,642,888.00 |

(e) The estimated contract price for SS represents the authorized SS scope and Contract Budget Base (CBB), including fixed fee, subject to a final fee determination by the Government.

## SUB-CLIN 0002F - SITE INFRASTRUCTURE AND SERVICES SUBPROJECT

(a) This SUB-CLIN 0002F for Site Infrastructure and Services (SIS) Subproject utilizes a cost-reimbursement type Contract with terms for an incentive fee structure, whereby the Contractor can earn fee in accordance with the UPF Fee Plan - Annex 3.

(b) The SIS scope supports the UPF Project by requiring completion of key critical-path site preparation construction work required for subsequent nuclear facility construction.

(c) The period of performance for SIS is March 16, 2015, through April 30, 2018.

(d) The values shown below represent the negotiated SIS values as revised in Annex 3.

| | |
|---|---|
| ESTIMATED COST | $25,232,933.00 |
| AVAILABLE FEE | $1,052,034.00 |
| SUB-CLIN 0002F ESTIMATED CONTRACT PRICE | $26,284,967.00 |

(e) The estimated contract price for SIS represents the authorized SIS scope and Contract Budget Base (CBB), including available fee, subject to a final fee determination by the Government.

## SUB-CLIN 0002G - SITE READINESS SUBPROJECT

(a) This SUB-CLIN 0002G for Site Readiness (SR) Subproject utilizes a cost-reimbursement type Contract with terms for a fixed fee structure, whereby the Contractor can earn fee in accordance with the UPF Fee Plan - Annex 2.

(b) The SR scope supports the UPF Project by requiring completion of key critical-path site preparation construction work required for subsequent nuclear facility construction.

(c) The period of performance for SR is July 1, 2014, through February 28, 2015.

(d) The values shown below represent the accepted SR subproject completed scope and final fee determination for all contractor earned fee.

| | |
|---|---|
| COST | $12,472,010.00 |
| FIXED FEE | $436,520.00 |
| SUB-CLIN 0002G CONTRACT PRICE | $12,908,530.00 |

## CLIN 0003 - CAPITAL CONSTRUCTION PROJECTS (ADDED 0185)

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-8 of this Contract) under DOE O 413.3 , and any other construction projects the parties mutually agree will be performed under this CLIN 0003. Each CLIN 0003 Capital Construction Project shall be identified hereunder as a Sub-CLIN and incorporated into CLIN 0003 via contract modification. The cost and fee associated with each Sub-CLIN established under CLIN 0003 shall be accounted for and reported separately and shall be completely severable from all other parts of this Contract.

## B-1 CONTRACT TYPE AND VALUE (MODIFIED 0075, 0136, 0185, 0252; REPLACED 0084, 0091, 0157, 0165, 0191, 0236)

This is a Performance Based Contract for the Management and Operation of DOE/NNSA facilities governed by FAR 17.6, DEAR 917.6 and DEAR Part 970. It is a Management and Operating (M&O) cost-reimbursement Contract with terms for a Fixed Fee, Award Fee, and Cost Savings Incentive Fee for CLIN 0001 and terms for a Fixed Fee and Incentive Fee for CLIN 0002. The contract types and values under CLIN 0003 shall be established as each Sub-CLIN is awarded under CLIN 0003.

The total estimated cost, excluding fee and Strategic Partnership Projects/Other Reimbursable Work related to NNSA work:

| Year | Total |
|---|---|
| 1 | $1,775,166,000 |
| 2 | $1,814,749,907 |
| 3 | $2,021,030,633 |
| 4 | $2,244,534,807 |
| 5 | $2,631,698,436 |
| OPTION I | |
| 6 | $2,879,573,859 |
| 7 | |
| 6-month Extension Period | |
| (Oct 1, 2021 – March 31, 2022) | |
| 6-month Extension Period (April 1, 2022 – Sept 30, 2022) | |
| OPTION II | Not Exercised |
| 8 | |
| 9 | |
| OPTION III | Not Exercised |
| 10 | |

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

## B-2 CONTRACT TYPE AND VALUE (MODIFIED 0075, 0136, 0185, 0252; REPLACED 0084, 0091, 0157, 0165, 0191, 0236, 0291)

(1) Definitions.

Total Available Fee = Fixed Fee + Award Fee

(2) The Total Available Fee for the Base Term of the Contract, and the option period(s), if exercised by NNSA, is shown in the tables for CLIN 0001B, 0001C, 0001D, and 0001E, including 0001G, if exercised. The Total Available Fee shall not exceed 3.5% of the FY 2011 budget ($1.33B for both Pantex Plant and Y-12, and $1.50B should SRTO option be exercised).

The Total Available Fee for 6-month extension period (October 1, 2021 – March 31, 2022), excluding Strategic Partnership/Other Reimbursable Work, is

shown in the CLIN 0001I table. The Total Available Fee shall not exceed the mutually agreed upon amount reflected in the CLIN 0001I table.

The Total Available Fee for 6-month extension period (April 1, 2022 – Sept 30, 2022), excluding Strategic Partnership/Other Reimbursable Work, is shown in the CLIN 0001I table. The Total Available Fee shall not exceed the amount reflected in the CLIN 0001I table.

The Total Available Fee for period of performance beginning October 1, 2022, is shown in the above tables for CLINs 0001K, and, if exercised, 0001L, 0001M, and 0001N, respectively.

(i) Fixed Fee

The Contractor will be paid a Fixed Fee (except as identified in Section B, B-2(a)(4), Strategic Partnership Projects/Other Reimbursable Work Fixed Fee) during the first year of the Base Term in the CLIN 0001B table. No Fixed Fee will be paid for the remaining years of the Contract except as noted below for the two 6-month extension periods from October 1, 2021 - March 31, 2022 and April 1, 2022 – Sept 30, 2022.

The Contractor will be paid a fixed fee for the 6-month extension period (October 1, 2021 – March 31, 2022) as identified in the CLIN 0001I table. The Contractor will be paid a fixed fee for the 6-month extension period (April 1, 2022 – Sept 30, 2022) as identified in the CLIN 0001I table.

(ii) Award Fee

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

The Contractor will be paid an Award Fee for the 6-month extension period (October 1, 2021 – March 31, 2022) for accomplishments under the PEMP. The Available Award Fee for the 6-month extension period is reflected in the CLIN 0001I table.

The Contractor will be paid an Award Fee for the 6-month extension period (April 1, 2022 – Sept 30, 2022) for accomplishments under the PEMP. The Available Award Fee for this 6-month extension period is reflected in the CLIN 0001I table.

The Contractor will be paid an Award Fee for period of performance beginning October 1, 2022, for accomplishments under the Performance Evaluation and Measurement Plan (PEMP). The Available Award Fee is reflected in the above tables for CLINs 0001K, and, if exercised, 0001L, 0001M, and 0001N, respectively.

Fee rates applicable to any option period under FAR 52.217-8, Option to Extend Services, shall be the applicable fee rate that represents the work activity for the extension period. For example, if Site Separation Activities (SSAs) will be performed in the extension period the fee rates shall be equal to the SSA and M&O activity fee rates. If no SSAs will be performed, the fee rates shall only include the M&O activity fee rate.

(3) Cost Savings Incentive Fee

The Contractor will be paid a Cost Savings Incentive Fee under the approved Cost Reduction Proposal (CRP) submitted in accordance with the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction". In the event savings are not sustained through FY2021, as verified by the Government, the Government is entitled to reimbursement of previously paid CSIF and will obtain it out of future fee. Payment will be made promptly but not later than 90 days after the cost baseline data and adequate records to support validation are supplied to the Government to make a decision on the share of cost savings.

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

6-Month Extension Period (October 1, 2021 – March 31, 2022): The cost saving program, as implemented under CLIN 0001B through CLIN 0001C, ends September 30, 2021. The Contractor will not be eligible to earn CSIF for the 6-month extension period from October 1, 2021 - March 31, 2022, or for any subsequent contract period. During the 6-month extension period from October 1, 2021 - March 31, 2022, the Contractor will be paid a monthly Cost Savings Fixed Fee, as negotiated, and reflected in the CLIN 00001I table above. This amount is in addition to CSIF that may be payable to CNS for FY 2021 after validation by CNS and verification by NNSA in response to the Cost Savings Validation Report. During the 6-month extension period, the Contractor agrees that it shall not take any action that increases cost or staffing levels beyond those levels set forth in the approved FY 2022 Annual Controlled Baseline (ACB), unless approved by the Contracting Officer.

(4) Strategic Partnership Projects/Other Reimbursable Work Fixed Fee

The estimated cost and the available Fixed Fee for Strategic Partnership Projects/Other Reimbursable Work during the Base Term of the Contract and for each Option Term will be established by the NNSA prior to the commencement of the applicable year of the Contract and will be incorporated into the CLIN 0001H table through a modification to this Contract. The Fixed-Fee for Strategic Partnership Projects/Other Reimbursable Work will be up to

3% of the estimated cost of each project. If the work sponsor or the Government subsequently orders material changes in the amount or character of the Strategic Partnership Projects/Other Reimbursable Work, an equitable adjustment of the fee, if any, shall be made in accordance with the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes." If the Contractor anticipates the amount of estimated cost to change for Strategic Partnership Projects/Other Reimbursable Work due to new or deleted reimbursable work projects, an adjustment to the estimated cost and Strategic Partnership Projects/Other Reimbursable Work Fixed Fee for reimbursable work shall be submitted for approval by the Contracting Officer. Strategic Partnership Projects Fixed Fee is not a component of Total Available Fee under CLIN's 0001B, 0001C, 0001D, 0001E and 0001G, if exercised.

A Fixed Fee for the 6-month extension period (October 1, 2021 – March 31, 2022) will be paid monthly at the amounts reflected in the in CLIN0001J table. Strategic Partnership Projects Fixed Fee is not a component of Total Available Fee under CLIN's 0001B, 0001C, or CLIN 0001I.

A Fixed Fee for the 6-month extension period (April 1, 2022 – Sept 30, 2022) will be paid monthly at the amounts reflected in the in CLIN0001J table. Strategic Partnership Projects Fixed Fee is not a component of Total Available Fee under CLIN's 0001B, 0001C, or CLIN 0001I.

A Fixed Fee for period of performance beginning October 1, 2022, will be paid monthly at the amounts reflected in the CLIN 0001O table and, if exercised, 0001P, 0001Q, and 0001R, respectively. Strategic Partnership Projects Fixed Fee is not a component of Total Available Fee under CLINs 0001B, 0001C, 0001I, 0001K, 0001L (Option), 0001M (Option), or 0001N (Option).

(5) Provisional Payment of Fee

(i) The Fixed Fee for the Base Term of the Contract shall be paid monthly at the rate of one-twelfth (1/12) of the annual Fixed Fee per month. Such payment amounts are to be drawn down by the Contractor from the Contract's special financial institution account in monthly installments on the last day of each month.

For the 6-month period (October 1, 2021 – March 31, 2022) the fixed fee shall be paid monthly as shown in CLIN 0001I and CLIN 0001J tables. 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.

For the 6-month period (April 1, 2022 – Sept 30, 2022) the fixed fee shall be paid monthly as shown in CLIN 0001I and CLIN 0001J tables. Such payment amounts are to be drawn down by the Contractor from the Contract's special financial institution account in monthly installments on the last day of each month.

(ii) The Award Fee is authorized for draw down by the Contractor from the Contract's special financial institution account as follows:

(A) In monthly provisional fee payments equivalent to 3% of the Available Award Fee (with the understanding that the Contractor is authorized to draw down 51% of the total Available FY 2019 Award Fee on a provisional basis),or

(B) Upon completion of milestones or any other methodology as set forth in the Performance Evaluation and Measurement Plan and its supporting documentation; and

(C) The balance, if any, upon issuance of the Contracting Officer's notification in accordance with Section B, B-7, Performance Evaluation and Measurement Plan.

(D) If the provisional payments made above exceed the Award Fee earned or the Contractor fails to fully accomplish the objective/incentive for which it has received milestone completion or provisional payments, the Contracting Officer will determine if the Contractor is to refund all or part of the provisional fee it has received. Any refund made shall include interest. Interest will be paid at the published prime rate of the financial institution (depository) in which the special account is established or at the interest rate established by the Secretary of the Treasury as provided in Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563) whichever is higher, which is applicable to the period in which any unearned payments were made. Interest paid resulting from this clause is an unallowable cost.

(E) The Contractor shall remit any balance due payable to the Government in accordance with directions to be provided by the Contracting Officer.

(F) For the 6-month extension period (October 1, 2021 – March 31, 2022), the contractor is authorized to draw down 50% of total monthly available Award Fee per month shown in CLIN 0001I. 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.

For the 6-month extension period (April 1, 2022 – Sept 30, 2022), the contractor is authorized to draw down 50% of total monthly available Award Fee per month shown in CLIN 0001I. 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.

(G) In monthly provisional fee payments equivalent to 3% of the Available Award Fee for the period beginning October 1, 2022.

(iii) The Contractor is authorized semi-annual provisional payments of the Cost Savings Incentive Fee. The Contractor is authorized to be paid on March 31

and September 30 of each year of the 24-month fee sharing period. Each semiannual provisional CSIF payment may be up to 50% of the fee associated with the sustainment of savings validated by NNSA and up to 25% of the CSIF associated with that year's claimable savings from the approved CRP. If the provisional payment results in overpayment, the Contracting Officer will determine if the Contractor is to refund all of part of the provisional fee it has received. Any refund made shall include interest. Interest will be paid at the published prime rate of the financial institution (depository) in which the special account is established or at the interest rate established by the Secretary of Treasury as provided in Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563) whichever is higher, which is applicable to the period in which any unearned payments were made. Interest paid for this clause is an unallowable cost.

For the 6-month extension period (October 1, 2021 – March 31, 2022), the contractor is authorized to draw the Cost Savings Fixed Fee monthly as shown in the CLIN 0001I table. 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.

(6) Unearned Fee

NNSA HQ will determine how unearned fee is reinvested in the Nuclear Security Enterprise. Unearned fee will not be available for future performance periods.

(7) Except for the conditions identified in this clause, there shall be no adjustment in the amount of the Contractor's fee by reason of differences between the FY11 budgeted cost for performance of the work under this Contract and the actual cost of performance of that work.

(b) Fee Structures for CLIN 0002

(1) Definitions

Available Fee = Unrealized Cost Objective Fee + Schedule Objective Fee.

(2) The Available Fee or Fixed Fee for CLIN 0002 scope is shown at the SUB-CLIN level for each discrete scope of work, with specific details of the fee structure included in Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

(3) Notwithstanding the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes," the Contractor's proposed fee percentage (5%) is not subject to adjustment but will be used by the Government for establishing the target performance objective, in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

(4) SUB-CLIN Contract Values

(i) The estimated values in the SUB-CLIN level will be updated by

the Contracting Officer by bilateral Contract modification as required to reflect any negotiated changes to the UPF Fee Plan and Supplementary Annexes.

(ii) The estimated contract price values in the SUB-CLIN level will be updated with the final contract price values by the Contracting Officer via a bilateral Contract modification after the final fee determinations are made by the Government.

(5) Provisional Payment of Fee

(i) Provisional payment of fee for CLIN 0002 shall be requested by the Contractor and approved by the Contracting Officer in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

(ii) The balance of Available Fee or Fixed Fee, if any, will be paid upon issuance of the Contracting Officer's notification in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

(A) If the provisional payments made above exceed the Total Earned Fee in CLIN 0002, or the Contractor fails to fully accomplish the performance objectives for which it has received provisional payments, the Contracting Officer will determine if the Contractor is to refund all or part of the provisional fee it has received.

(B) The Contractor shall remit any balance due payable to the Government in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

(6) Earned Payment of Fee

i. Earned Fee is due the Contractor by virtue of its meeting the stated performance objectives for completing the CLIN 0002 Contract requirements and deliverables entitling it to fee, in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

ii. All fee is 100% at risk until earned. How and when fee is earned will be negotiated and captured in each Annex. All fee is subject to the terms and conditions of this Contract, including any special contract requirements, in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

iii. All negotiated fee associated with the cost performance objective shall be provisional through the end of the project and/or contract, until a Final Fee Determination is made, in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes."

(c) Fee Structures for CLIN 0003 Capital Construction Projects

The fee structure(s), and associated terms and conditions established under CLIN 0003 will be determined when each Sub-CLIN is awarded.

**B-3 SINGLE FEE (MODIFIED 0015, 0075, 0185)**

(a) For CLIN 0001. If the Contractor is part of a consortium, joint venture, and/or other Contractor Team Arrangement as defined in FAR 9.601, the team shall share in the Available Fee defined at Section B, B-2, Contract Fee Structures. Separate additional subcontractor fees for individual team members will not be considered an allowable cost under the Contract. If a subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, any fee or profit paid to such entity will not be considered an allowable cost under this Contract unless otherwise approved by the Contracting Officer.

(b) For CLIN 0002. If the Contractor is part of a consortium, joint venture, and/or other Contractor Team Arrangement as defined in FAR 9.601, the team shall share in the CLIN 0002 fee defined at Section B, B-2, Contract Fee Structure. If a subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, any fee or profit paid to such entity will not be considered an allowable cost under this Contract unless otherwise approved by the Contracting Officer. (Replaced 0015, 0075)

(c) *For CLIN 0003*. If the Contractor is part of a consortium, joint venture, and/or other Contractor Team Arrangement as defined in FAR 9.601, the team shall share in the CLIN 0003 fee as negotiated in accordance with Section B, B-2; Contract Fee Structures. Separate additional subcontractor fees for individual team members will not be considered an allowable cost under the Contract. If a subcontractor or lower- tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, the allowability of any fee or profit paid to such entity will subject to the approval of the Contracting Officer and the provisions of DEAR 970.4402-3. *(Added 0185)*

(d) The subcontractor fee restriction in the paragraphs above does not apply to members of the Contractor team that are not wholly owned, majority owned, or affiliate of any team member, but are small business(es) or protégé firm(s) as part of an approved mentor-protégé relationship as described in DEAR 952.219-70, DOE Mentor-Protégé Program.

**B-4 KEY PERSONNEL REPLACEMENT (Replaced 0269)**

Unless approved in advance in writing by the Contracting Officer, should any Key Personnel be removed, replaced, or diverted by the Contractor for reasons under the Contractor's control (other than to maintain satisfactory standards of employee competency, conduct, and integrity under the Contract's Section I Clause entitled "DEAR 970.5203-3, Contractor's Organization") within the first two years of period of performance; or for a replacement Key Person within two years of being placed in the position; the Contractor shall forfeit two years

of the DOE/NNSA reimbursable annual salary, bonuses, and relocation costs in fee for that position for each occurrence.

For the period of performance beginning October 1, 2022, time commitment for each individual proposed as Key Personnel shall be between two and three years or until the end of the contract at the site to which the proposed Key Personnel will be assigned; and shall be negotiated between the Government and the Contractor on a case-by-case basis. Positions covering a specific site must be physically located in the geographical area of the site to provide the required management presence needed to effectively manage operations. The proposed period of commitment and physical location will be included in the Contractor's Proposed Key Personnel Action request submitted to the Contracting Officer for approval pursuant to the provisions of DEAR 952.215-70, Key Personnel. Notwithstanding the foregoing, each of the Key Personnel previously approved under the Contract and included in Section J, Appendix J, Key Personnel, of the Contract before October 1, 2022, will be subject only to their periods of commitment in effect at the time of Contracting Officer's original approval.

## B-5 OBLIGATION OF FUNDS (REPLACED 0317)

| Detail of Funds Obligated by this Modification | | Total Obligation |
|---|---|---|
| Cost Savings | (CLIN 0001B Non IC) | $ - |
| Operating | (CLIN 0001K) | $ - |
| Construction | (CLIN 0001K) | $ - |
| Isotopes-02300 (Appropriated) | (CLIN 0001K) | $ - |
| OA Spectrum Relocation-01652 | (CLIN 0001K) | $ - |
| Collections From Sale of CRMs – 00924 | (CLIN 0001K) | $ - |
| DNN - INT'L CONTRIBUTIONS - 01563 | (CLIN 0001K) | $ - |
| Operating | (CLIN 0002 UPF) | $ - |
| Construction | (CLIN 0002 UPF) | $ - |
| **Total Operating:** | | **$ -** |
| Reimbursable Fed | (CLIN 0001O) | $ (6,599,149.57) |
| Reimbursable Non-Fed | (CLIN 0001O) | $ 5,195,356.77 |
| Tech Transfer | (CLIN 0001O) | $ - |
| **Total SPP:** | | **$ (1,403,792.80)** |
| **Total Funds:** | | **$ (1,403,792.80)** |

**The DOE/NNSA hereby revised Clause B-5, OBLIGATION OF FUNDS, as follows:**

| | Funds Obligated in Contract Through Modification No. | Funding Changed by This Modification No. | Total Funds Obligated Through Modification No. |
|---|---|---|---|
| | 316 | 317 | 317 |
| Transition Term - CLIN 0001A | $ 19,694,142.18 | $ - | $ 19,694,142.18 |
| Base Term - M&O Cost Savings CLIN 0001B (Non IC) | $ - | $ - | $ - |
| Base Term - M&O CLIN 0001B | $ 9,503,131,474.56 | $ - | $ 9,503,131,474.56 |
| Option I Term - M&O CLIN 0001C | $ 3,959,811,210.23 | $ - | $ 3,959,811,210.23 |
| M&O - CLIN 0001I | $ 3,261,935,591.05 | $ - | $ 3,261,935,591.05 |
| SPP - CLIN 0001H | $ 195,067,426.95 | $ - | $ 195,067,426.95 |
| SPP - CLIN 0001J | $ 31,911,199.25 | $ - | $ 31,911,199.25 |
| M&O - CLIN 0001K | $ 4,374,540,880.77 | $ - | $ 4,374,540,880.77 |
| M&O - CLIN 0001L - OPTION | $ - | $ - | $ - |
| M&O - CLIN 0001M - OPTION | $ - | $ - | $ - |
| M&O - CLIN 0001N - OPTION | $ - | $ - | $ - |
| SPP - CLIN 0001O | $ 52,048,978.29 | $ (1,403,792.80) | $ 50,645,185.49 |
| SPP - CLIN 0001P - OPTION | $ - | | $ - |
| SPP - CLIN 0001Q - OPTION | $ - | | $ - |
| SPP - CLIN 0001R - OPTION | $ - | | $ - |
| UPF - CLIN 0002 | $6,232,532,560.25 | $ - | $6,232,532,560.25 |
| **Total Funds Obligated to the Contract Since Inception of Contract:** | | | **$ 27,629,269,670.73** |

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

## B-6 AVAILABILITY OF APPROPRIATED FUNDS

Except as may be specifically provided to the contrary to the Contract's Section I Clauses entitled "FAR 52.250-1, Indemnification Under Public Law 85-804, Alternate I" and "DEAR 952.250-70, Nuclear Hazards Indemnity Agreement," the duties and obligations of the Government hereunder calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the Congress, which DOE/NNSA may legally spend for such purposes.

## B-7 PERFORMANCE EVALUATION PLAN (PEP) (REPLACED 0015, 0165; MODIFIED 0179, 0193, 0236, 0252)

(a) *Performance Evaluation and Measurement Plan*. A PEMP developed by NNSA for this Contract, with Contractor input, shall document the process by which the Contractor's performance will be evaluated, except for the work covered by CLIN 0002, which will have a separate plan as outlined in Section B, B-8, UPF Fee Plan. The Parties will strive to reach mutual agreement on expected business, operational and technical performance and will work together to establish the performance evaluation plan. In the event the parties cannot come to agreement on the PEMP, the NNSA Production Office (NPO) Manager reserves the unilateral right to make the final decision, including changes thereto, on all performance objectives, goals, and measures and the methodology used to evaluate Contractor performance. The PEMP shall be finalized, whether bilaterally or unilaterally, prior to the start of an evaluation period and incorporated into the Contract at Section J, Appendix B-1, Performance Evaluation and Measurement Plan by a formal contract modification executed by the Contracting Officer. The NPO Manager and Contracting Officer may revise the PEMP, consistent with Section J, Appendix A, Statement of Work (SOW), during the evaluation period of performance. The Contracting Officer will incorporate any revisions to the PEMP through a contract modification. No changes will be made to the PEMP with less than 60 days remaining in the evaluation period.

(b) *Contractor Appraisal Self-Assessment Report.* A periodic self-assessment shall be prepared by the Contractor for consideration by the Government in developing an annual Performance Evaluation Report (PER).

(c) *Determination of Award Fee.*

(1) Award Fee (AF) Determination. The amount of AF earned will be based on the Contractor's performance as evaluated against the Performance Evaluation and Measurement Plan (PEMP). The amount of AF earned will be unilaterally determined by NNSA's Fee Determining Official (FDO), who will document the amount and the basis of the AF determination in a Fee Determination Letter.

(2) Contractor Notification. Each year (except for the year 2019), 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. For the year 2019 specifically, the Contracting Officer will notify the Contractor of the amount of AF earned and provide the Fee Determination Letter at the time the Option Term 2 Gateway Decision Point is determined by the Fee Determining Official. This shall occur not later than June 30, 2020.

For the 6-month extension period (October 1, 2021 – March 31, 2022), the Contracting Officer will notify the Contractor of the amount and the basis of the AF earned and provide the Fee Determination Letter no later than June 15, 2022.

For the 6-month extension period (April 1, 2022 – Sept 30, 2022), the Contracting Officer will notify the Contractor of the amount and the basis of the AF earned and provide the Fee Determination Letter no later than December 15 (or the first business day thereafter, if December 15 is a Saturday, Sunday, or Federal holiday).

(3) AF Delay. If the Contracting Officer does not notify the Contractor of the amount of AF earned by the date specified in (b), 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 (c)(2) above.

*Other Reductions to AF*. In the event that the Contractor's performance is considered to be less than the level of performance set forth in the Statement of Work, as amended to include the current Work Authorization Directive or similar document, for any contract requirements it will be considered by the FDO, or his designee, who may adjust the fee determination to reflect such performance. Any such adjustment shall be in accordance with the Clause I-18 of the contract, entitled "Conditional Payment of Fee, Profit, and other Incentives- Facility Management Contracts."

## B-8 UPF FEE PLAN (ADDED 0015; REPLACED 0075; MODIFIED 0181)

(a) UPF Fee Plan. A UPF Fee Plan developed by the NNSA UPF Project Office for this Contract, with Contractor input, shall document the process by which the Contractor's performance will be evaluated for CLIN 0002. The Parties will strive to reach mutual agreement on expected performance objectives and deliverables, and will work together to establish the initial UPF Fee Plan and Supplementary Annexes. In the event the Parties cannot come to agreement on the initial UPF Fee Plan, the UPF Federal Project Director reserves the unilateral right to make the final decision, including changes thereto, on all performance objectives, goals, and measures and the methodology used to evaluate Contractor performance.

The initial UPF Fee Plan shall be finalized, whether bilaterally or unilaterally, and incorporated into this Contract at Section J, Appendix B-2, UPF Fee Plan by a formal contract modification executed by the Contracting Officer. The UPF Federal Project Director and Contracting Officer may update the established UPF Fee Plan and Supplementary Annexes, consistent with Section J, Appendix A, Statement of Work (SOW), during the performance of project. The Contracting Officer will incorporate any revisions and additions to the established UPF Fee Plan and Supplementary Annexes through a bilateral contract modification.

(b) Contractor's Request for Fee. All fee requests shall be prepared by the Contractor in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

(c) Determination of Earned Fee. All fee determinations shall be made in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes.

(d) Fee Adjustments. All fee adjustments shall be made in accordance with Section J, Appendix B-2, UPF Fee Plan and Supplementary Annexes, and Section I, I-18, DEAR Clause 970.5215-3 Conditional Payment of Fee, Profit, and Other Incentive - Facility Management Contracts (AUG 2019). The Government will only consider fee adjustments for circumstances directly attributable to Contractor performance related

to the UPF Project.

## B-9 CAPITAL CONSTRUCTION PROJECTS FEE PLAN (ADDED 0185)

A Capital Construction Project Fee Plan will be developed, with Contractor input, for each Sub-CLIN awarded under CLIN 0003. Although the detail and content incorporated into each Fee Plan may vary based on the cost and fee structure agreed upon 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 and, in the event the Parties cannot come to agreement on the Fee Plan for any Sub-CLIN, the Department of Energy, National Nuclear Security Administration reserves the unilateral right to make the final decision, including changes thereto, on all performance objectives, goals, and measures and the methodology used to evaluate Contractor performance.

## B-10 ANNUAL FEE BASELINE APPLICABLE TO PERFORMANCE BEGEGINNING 01 OCTOBER 2022 (ADDED 0269)

(a) *Generation of an Annual Fee Baseline (AFB)*. The Contractor shall develop an AFB for all NNSA-directed programs. The AFB will include all work and be measured at the program level (e.g., B61-12, W80-4, etc.) by resources category (i.e., labor, material, and other). As agreed to in the AFB Process Framework, which is incorporated into this contract at Section J Appendix U, certain limited activities may be measured below the program level as appropriate, but not below the B&R (budget and reporting) level. The AFB will be under configuration management and control, with all changes formally documented and accessible to NNSA. The AFB should be maintained in a manner consistent with, and reconcilable to, approved work authorizations, funding levels, and any programmatic reporting including EVMS or EVMS-like systems. Changes to the AFB shall be based on changes in the amount or character of the work in accordance with the approved baseline change process referenced in the AFB Process Framework. The Contractor will submit the AFB annually by August 15th of the preceding year unless another delivery date is agreed to in advance by the Contracting Officer.

(b) *Composition of AFB Package*.

(1) Composition and Reconciliation. The AFB shall be presented at the level of detail specified in the approved AFB Process Framework. The AFB package shall include a reconciliation of the President's budget request to the AFB that clearly identifies the following reconciling items:

Exclusions from the AFB as specified in (b)(2) below.

(2) Exclusions from the AFB. The AFB shall not include:

(A) Carryover, which is defined as the estimated costs of any work that was included in the AFB of a previous Contract Period;

(B) Estimated costs included in the enacted budget for any work to be performed by a federal entity or DOE/NNSA prime contractor other than Contractor;

(C) Estimated costs of Inter-Contractor Purchases placed with Contractor by other DOE/NNSA prime contractors or their subcontractors;

(D) Prefunding or continuity of operations funding intended for execution and costing in a subsequent contract term;

(E) The cost estimate associated with any scope of work (e.g., Line-Item Construction Projects) for which a separate fee structure is negotiated; and

(F) That portion of the budget attributable to fee.

(c) *Calculation of Available Award Fee*.

(1) Available Award Fee – Available Award Fee shall be calculated by reducing the relevant AFB by an exclusion factor of 11.4% then applying the applicable Section B CLIN 0001K and CLIN 0001L award fee rate (AF%) to the resulting value: (AFB)*(1-0.114)*AF%.

(2) Annual AFB Adjustment. The available award fee will be adjusted via bilateral modification once each contract period at the time the AFB 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 available award fee unless the approved year-end September 30th AFB reflects a plus or minus 10 percent change from the AFB based on the enacted budget. In accordance with the Changes Clause, the 10-percent change threshold shall apply only to material changes in the amount or character of work described in the Statement of Work. CLIN Tables in Section B will be updated through bilateral modifications as applicable.

# SECTION C

## DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

### C-1 STATEMENT OF WORK

The work to be performed is set forth in Section J, Appendix A, Statement of Work.

# SECTION D

## PACKAGING AND MARKING (Reserved)

# SECTION E

# INSPECTION AND ACCEPTANCE

## E-1 FAR 52.246-5 INSPECTION OF SERVICES – COST-REIMBURSEMENT (APR 1984)

(a) Definition. "Services," as used in this clause, includes services performed, workmanship, and material furnished or used in performing services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If any of the services performed do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by re- performance, the Government may--

(1) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and

(2) Reduce any fee payable under the contract to reflect the reduced value of the services performed.

(e) If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may--

(1) By contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances; or

(2) Terminate the contract for default.

## E-2 ACCEPTANCE

Acceptance for all work and effort under this Contract shall be accomplished by the Contracting Officer or any other duly authorized representative.

# SECTION F

## DELIVERIES OR PERFORMANCE

### F-1 FAR 52.242-15 STOP-WORK ORDER (AUG 1989) ALTERNATE I (APR 1984)

(a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either--

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in the Termination clause of this contract.

(b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected, and the contract shall be modified, in writing, accordingly, if--

(1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this Contract; and

(2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

**F-2 PERIOD OF PERFORMANCE (REPLACED 0015, 0039, 0045, 0148, 0291; MODIFIED 0236, 0252)**

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

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

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

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

Option Term 1 – Oct 1, 2019 through Sep 30, 2021; and, if exercised;

Option Term 2 – Oct 1, 2021 through Sep 30, 2023; and, if exercised*;

Option Term 3 – Oct 1, 2023 through June 30, 2024 (9 month Period)*.

6-month Extension – Oct 1, 2021, through March 31, 2022, exercised.

6-month Extension – April 1, 2022, through Sep 30, 2022, exercised.

Term under CLIN 0001K – Oct 1, 2022- Sep 30, 2024 for both sites and Oct 1, 2024 – Sep 30, 2025 for Y-12, and, if exercised,

Term under CLIN 0001L – Oct 1, 2024-Sep 30, 2025 for Pantex, and, if exercised,

Term under CLIN 0001M – Oct 1, 2025 – Sep 30, 2026 for Y-12, and, if exercised,

Term under CLIN 0001N – Oct 1, 2026 – Sep 30, 2027 for Y-12, if exercised.

*Note: Option Terms 2 and 3 were not exercised.

(b) The period of performance of this Contract will expire Sep 30, 2025, unless sooner reduced, terminated or extended in accordance with the provisions of this Contract. The Contract period of performance may be extended in increments, or portions thereof, for up to an additional period of five years of performance in accordance with Section F, F-5, Evaluation of Performance and Exercise of Option(s). The Contract's maximum period of performance, including the Transition Term and Options, if exercised, shall not exceed ten (10) years, nineteen weeks.

(c) The Transition Term shall be for the transition activities identified in Section J, Appendix C, Transition Plan. The Contractor's responsibility for management and operation of the Sites against the Statement of Work shall commence with the Base Term. The Option Terms 1-3 conditions are set forth in Section F, F-5, Evaluation of Performance and Exercise of Option(s)."

## F-3 PRINCIPAL PLACE OF PERFORMANCE

The work under this Contract is to be carried out at a variety of locations within and outside the United States, with the principal locations of performance being at the Y-12 National Security Complex in Oak Ridge, Tennessee, the Pantex Plant near Amarillo, Texas, with an option for Savannah River Site Tritium Operations near Aiken, South Carolina.

## F-4 STOP WORK IN EVENT OF IMMINENT DANGER

In the event that a determination or observation of conditions is immediately dangerous to the life or health of the workers, the public, or the environment, the Contractor shall immediately cease that activity. In the event of imminent danger, any Federal or Contractor employee is authorized to instruct the Contractor to properly stop work. The Contracting Officer must be contacted immediately after the event such that a written Stop-Work order can be issued in accordance with the Contract's Section F Clause entitled "FAR 52.242-15, Stop-Work Order Alternate I." The Contractor shall include this clause in all subcontracts to be performed at the sites.

## F-5 EVALUATION OF PERFORMANCE AND EXERCISE OF OPTION(S) (THIS CLAUSE APPLIES TO CLIN 0001 ONLY) (MODIFIED 0108, 0121, 0130, 0148, 0193)

This Contract includes several options: three options (Option Terms 1-3) extend the term of this Contract and an option to include SRTO within the scope of this Contract.

*(a)* Option Exercise for Additional Term *(Modified 0108, 0121, 0148)*

Gateway Decision: The Gateway Decision is a unilateral decision of the FDO based on the Contractor's performance rating under this Contract in accordance with the Performance Evaluation Plan. The Contractor's delivery of cost savings reflected in the cost savings profile in Section J, Appendix D, Merger Transformation Plan will be taken into consideration in the Gateway Decision. The standard of performance for each Gateway Decision is such that the score in the annual PER is "very good" or above (or achieve 80% or better) under the Performance Evaluation Plan for the final year of the

performance years evaluated for Exercise of Option Term 1 and each performance year evaluated for exercise of Option Terms 2 and 3. The total projected cost savings goal within the cost savings profile in Section J, Appendix D, Merger Transformation Plan for the combined performance years evaluated is 80% for each Gateway Decision Point, as reflected in the table below. The FDO has the discretion to evaluate the Contractor's achievements in cost savings in conjunction with Contractor performance in determining the Gateway Decision. If the FDO's decision is to award additional term, the Contract will be modified unilaterally by the Contracting Officer to extend the term of the Contract, after considering NNSA requirements, in accordance with the Contract's Section I Clause entitled "FAR 52.217-9, Option to Extend the Term of the Contract".

Option Term 1: Commencing in Government Fiscal Year (GFY) 2018 of the Contract, the Contract's period of performance may be extended for two additional years (Oct 1, 2019 through Sep 30, 2021) based on the standard of performance (score) and cost savings noted above.

Option Term 2: Commencing in GFY 2020 of the Contract, the Contract's period of performance may be extended for two additional years (Oct 1, 2021 through Sep 30, 2023) based on the standard of performance (score) and cost savings noted above.

Option Term 3: Commencing in GFY 2022 of the Contract, the Contract's period of performance may be extended for 9 months (Oct 1, 2023 through June 30, 2024) based on the standard of performance (score) and cost savings noted above.

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

| | Gateway Decision Point | Performance Years Evaluated | Option Years Available |
|---|---|---|---|
| Option Term 1 | 2nd Quarter of GFY 2018 | 1 Jul 2014 – 30 Sep 2017 | 6-7 |
| Option Term 2 | 3nd Quarter of GFY 2020 | 1 Oct 2017 – 30 Sep 2019 | 8-9 |
| Option Term 3 | 2nd Quarter of GFY 2022 | 1 Oct 2019 – 30 Sep 2021 | 10 |

***NOTE:*** *Evaluation of Performance is aligned with the CPEP and the GFY. There is no change in contract period of performance dates as a result of this alignment.*

*NNSA will evaluate contract performance years 1-3 (July 1, 2014-Sep 30, 2017) to award Option Term 1 - contract years 6-7 (Oct 1, 2019-Sep 30, 2021)*

*NNSA will evaluate contract performance for years 4-5 (Oct 1, 2017-Sep 30, 2019) to award Option Term 2 - contract years 8-9 (Oct 1, 2021-Sep 30, 2023)*

*NNSA will evaluate contract performance years 6-7 (Oct 1, 2019-Sep 30, 2021) to award Option Term 3 - contract year (9 month period) 10 (Oct 1, 2023-June 30, 2024)*

(b) Option Exercise to add SRTO

This option allows for adding the SRTO scope of work to the Contract. If the NNSA determines it is in the best interest of the Government to exercise this option, the Contract will be modified unilaterally by the Contracting Officer to add the SRTO effort. Immediately upon option exercise, the Contractor will be required to provide a Transition Plan including the same elements as noted in Section F, F-7(a) and (b). The Contractor shall also update applicable Contract requirements, as directed by the Contracting Officer, including, but not limited to, the Performance Guarantee(s) and Subcontracting Plan, at the time of option exercise. NNSA may exercise the SRTO option at the end of the first year; however the determination will be based on NNSA mission requirements and other factors.

## F-6 DELIVERABLES

The primary deliverables under this Contract are described in the Statement of Work, Section J, Appendix A. To ensure that effective and efficient management systems exist for the management and operation of the sites, this Contract also requires the delivery of documents, plans, and reports for the Contracting Officer's review and approval. The Contractor shall manage all deliverables required throughout this Contract.

## F-7 DELIVERABLES DURING TRANSITION

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

In addition to the transition deliverables identified elsewhere in the Contract, the following deliverables shall be submitted during the Transition Term as follows:

(a) Transition Plan. The Contractor shall provide a Transition Plan upon the effective date of the Contract for the transition activities at the Y-12 National Security Complex and Pantex Plant following the guidance provided at Section J, Appendix C, Transition Plan. The Transition Term is specified in Section F, F-2, Period of Performance. The Transition Plan will become part of Section J, Appendix C, Transition Plan. This Transition Plan is separate from, and in addition to, the Merger Transformation Plan requested in paragraph (e) of this clause.

(b) Transition Cost Estimate. The Contractor shall provide a Transition cost estimate for the transition activities at the Y-12 National Security Complex and the Pantex Plant to the Contracting Officer upon the effective date of the contract. The Transition cost estimate shall include: (1) the costs associated with the Transition Plan; and (2) the costs necessary for the Contractor to meet the transition requirements during the Transition Term. The Transition cost estimate will be subject to approval by the Contracting Officer. For the Contract's Transition Term, the Contractor shall provide a summary by major cost elements to perform the transition activities and meet transition requirements required during the Transition Term.

(1) The Contractor shall provide a cost summary for the Transition Plan that clearly identifies by cost element, the portion of the cost proposal that pertains to each participant, if a teaming arrangement is proposed, including subcontractors. In addition, each participant and each subcontractor must provide separate exhibits, summary schedules and supporting cost information in the same format and level of detail as required below. A separate transition fee is not allowable.

(i) Labor: Identify proposed transition labor hours and unburdened labor rates by labor category and or/specific individual (including Key Personnel). Explain the basis for the proposed labor hour and labor rate estimates.

(ii) Indirects: Identify the cost elements included in each indirect rate cost pool and allocation base. Explain the basis of estimate for each indirect cost rate proposed and the methods used to derive the proposed rates.

(iii) Materials, Equipment, Subcontracts, and Other Direct Costs: Provide an exhibit that summarizes proposed materials,

equipment, services, space/lease costs, travel, and other direct cost items relating to the transition effort. Show the proposed quantity, unit price, and extended amounts, and provide the basis of estimate and supporting documentation used to determine the proposed prices.

(iv) Relocation Costs: A relocation cost estimate shall be provided that separately identifies the proposed travel, services, and other direct costs items related to relocation of Key Personnel and any managers who directly report to them.

(2) The Contractor shall also separately provide a cost summary for accomplishing those tasks required during the Transition Term that are identified in Section J, Appendix A, Statement of Work (Chapter III, 2.0 Workforce Transition). In addition to the requirements of paragraph (b)(1) of this clause, costs proposed must be cross-referenced to the specific tasks in Section J, Appendix A, Statement of Work (Chapter III, 2.0 Workforce Transition) that must be accomplished during the Transition Term. A detailed schedule for accomplishment of these tasks during the Transition Term shall also be provided to support the requested cost estimate.

(c) Community Commitment Plan. The Contractor shall deliver within 120 calendar days after the effective date of the Contract, a community commitment plan that has been discussed between the Contractor and the community. The Community Commitment Plan will consist of commitments between the Contractor and the surrounding communities of the sites under this Contract for purposes of supporting the communities and their economic base. As this plan will not become part of the resulting Contract requirements, reasonable costs associated with the development of the plan will be considered allowable, however costs associated with implementing the plan will be considered unallowable.

(d) Key Personnel Cost Estimate.

(1) The Contractor shall propose initial total Key Personnel compensation costs for each of its Key Personnel for the first year of the Base Term for CLIN 0001 and CLIN 0002 upon the effective date of the Contract. The Key Personnel compensation costs will be subject to approval by the Contracting Officer during the Transition Term. For the first year of the Base Term, for Key Personnel, the Contracting Officer will approve one time salary requests. The Contractor shall provide supporting justification related to internal and external equity for each compensation request. The top contractor official's reimbursed base salary will

serve as the maximum allowable salary reimbursement level. No reimbursement above the limits specified will be allowed under the Contract for the first year of the Base Term.

(2) The Contractor shall separately identify and provide a total summary of the annual compensation costs of the Contractor's proposed Key Personnel for the first year of the Base Term. Costs shall include annual base salaries, and applicable bonuses, incentive pay, fringe benefits, and other key personnel compensation. For each of the Key Personnel proposed, identify the individual's position, name, current annual salary, and basis for determining the proposed annual salary. Separately identify and describe the basis of estimate for applicable fringe benefits, incentive pay, bonuses, and any other forms of Key Personnel compensation. Provide narrative support sufficient to explain the development and reasonableness of the proposed compensation costs.

(3) Notwithstanding any other term or condition set forth in the Contract, the compensation reimbursed by the Government for each of the Contractor's Key Personnel shall not exceed $693,951 or the revised benchmark amount, in any subsequent Government fiscal year, as determined by the applicable Determination of Executive Compensation Benchmark Amount Pursuant to Section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435), as Amended, as required in FAR 31.205-6, Compensation for Personal Services; paragraph (p), Limitation on allowability of compensation for certain Contractor personnel. Any amount in excess of the OFPP benchmark must be identified and excluded from the Contractor's proposed Key Personnel Costs.

(e) Merger Transformation Plan (MTP). Section J, Appendix A, Statement of Work, requires that the Contractor provide a "Merger Transformation Plan" for Contracting Officer's approval within 60 calendar days after the effective date of the Contract. The Contractor may request modifications to the MTP during the Contract term and these changes will be reviewed and approved by the Contracting Officer. The Contractor's Management Approach and Cost Savings which was submitted by the Contractor in its proposal for purposes of evaluation for award, shall be incorporated as a part of Section J, Appendix D, Merger Transformation Plan. The MTP shall also include Performance Fee Incentives, with associated objectives, measures, and targets to be considered for inclusion in the Contract's Performance Evaluation Plan (PEP), which may be multi-year, and be used as consideration for

additional Contract term. The MTP will contain information that will be utilized for development of the CRP as described in the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction".

(f) Conflict of Interest Compliance Plan. The Contractor shall submit a Conflict of Interest (COI) Compliance Plan to the Contracting Officer for approval within 60 days after the effective date of this Contract including UPF. The COI Compliance Plan shall address the Contractor's approach for adhering to the Contract's Section I Clauses entitled "DEAR 952.209-72, Organizational Conflicts of Interest Alternate I" and "DEAR 970.5227-3, Technology Transfer Mission Alternate II" and describe its procedures for aggressively self- identifying and resolving both organizational and employee conflicts of interest. The COI Compliance Plan will also serve as the minimum standards for the conflicts of interest portion of the Contractor's "written code of business ethics and conduct" which is required by this Contract's Section I Clause entitled "FAR 52.203-13, Contractor Code of Business Ethics and Conduct." The overall purpose of the COI Compliance Plan is to demonstrate how the Contractor will assure that its operations meet the highest standards of ethical conduct, and how its assistance and advice are impartial and objective. The COI Compliance Plan shall include the minimum standards at Section J, Appendix Q, Minimum Standards for Contractor's COI Plans.

(g) UPF Project Management Plan. Section J, Appendix A, Statement of Work, Chapter IV, requires that the Contractor provide an updated "Project Management Plan" for Contracting Officer's approval within 90 calendar days after start of transition. The Acquisition Executive will maintain baseline control as prescribed in DOE O 413.3B. The UPF Project Management Plan shall be consistent with the Project Management Approach that was submitted with the Contractor's proposal.

## F-8 DELIVERABLES DURING TRANSITION TO TWO SEPARATE M&O CONTRACTS (MODIFIED 0270)

Alternate due dates for transition deliverables may be suggested after the effective date of the Contract, provided they do not conflict with other provisions of the Contract. In addition to the deliverables identified elsewhere in the Contract, the following deliverables shall be submitted to support NNSA's planned transition to two separate M&O contracts by October 1, 2024:

| Site Separation Deliverables | Deliverables and Due Dates |
|---|---|
| 1. Organization chart for Pantex and Y-12 | CNS will provide the Level 2 (CEO and direct reports) organization chart that will be effective January 1, 2023, including, at a minimum, the 4 key positions of CEO, Y12 Site Manager, Pantex Site Manager and Site Separation Activities Manager. Any other key positions will also be noted on the chart.<br><br>Due date: October 1, 2022<br><br>CNS will provide a Level 2 organization chart with a vision of the expected site structures as of October 1, 2024, including the anticipated key positions It is noted that this is preliminary and provided for information only.<br><br>**Due date:** October 1, 2022 |
| 2. Written confirmation that KP positions have been filled at Pantex and Y-12. | CNS will provide written confirmation that the four (4) required Key Personnel positions have been filled at Pantex and Y-12<br><br>**Due date:** January 1, 2023 |
| 3. Risk management plan describing an overall approach to mitigate mission performance risk for each site during the extension and transition process. | CNS will prepare a risk management plan including 1) analysis of potential impact of the site separation activities to the mission, 2) development of mitigation strategies, and 3) incorporation of resulting tasks into the site separation implementation plan schedule. The risk analysis will also include the potential impact of the site separation activities to other currently established risks (e.g., Top 10) or NNSA priority items. Those items requiring special attention will be included and flagged within the risk management plan.<br><br>The risk management plan will be incorporated into the development of the site separation implementation plan (SSIP).<br><br>**Due date:** An initial Risk Management Plan will be provided with the Interim SSIP on April 30, 2023. An updated Risk Management Plan will be provided with the final SSIP. |
| 4. Integrated and prioritized list of items that need special attention during the site split and transition | This information will be incorporated into the risk management plan and flagged as items requiring special attention. See Site Separation Implementation Plan for these Items. |
| 5. Support to IDA review for understanding of CNS' current IT and cyber structures and capabilities to determine NNSA's desired path forward for site separation. | The Institute for Defense Analysis (IDA) will be assisting NNSA with analysis and decision-making for its desired path forward for IT and cyber separation activities. CNS will support the IDA review and will produce a project plan as part of the integrated SSIP to implement the site separation of IT and cyber activities based on NNSA's direction.<br>**Due dates:** This action will be incorporated in the Interim SSIP submission on April 30, 2023. |

# SECTION G

## CONTRACT ADMINISTRATION DATA

### G-1 GOVERNMENT CONTACTS & CORRESPONDENCE PROCEDURES (REPLACED 0015, 0045; MODIFIED 0108, 0291)

(a)

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

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

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

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

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

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

(3) The Construction and Specialty Acquisition Branch Administrative Contraction Officer (ACO) is primarily responsible for all contractual and administrative matters related to CLIN 0003. The cognizant ACO for the administration of each Sub-CLIN will be identified therein. The Construction and Specialty Acquisition Branch ACO can be reached at:

Administrative Contracting Officer
U.S. Department of Energy/NNSA Construction and Specialty

Acquisition Branch Albuquerque Complex
P.O. Box 5400
Albuquerque, NM 87185-5400

(4) 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
C/O NNSA Production Office
P.O. Box 2050
Oak Ridge, TN 37831

(b) Technical and Administrative Correspondence:

Technical and Administrative Correspondence concerning performance of this Contract shall be addressed to the responsible NNSA Contracting Officer's Representative (COR), with an information copy to the ACO. CORs are listed in Section J, Appendix R.

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

The COR's official delegation of authority will be provided to the Contractor in writing. The delegation will describe the COR's authorities in detail. However, it is emphasized that only the Contracting Officer has the authority to modify the terms of the Contract, therefore, in no event will anyunderstanding, agreement, modification, change order, or other matter deviating from the terms of the basic Contract between the Contractor and any other person be effective or binding on the Government. When/If, in the opinion of the Contractor, an effort outside the existing scope of the Contract is requested, the Contractor shall promptly notify the Contracting Officer in writing, before proceeding with the COR Direction. No action shall be taken by the Contractor unless the Contracting Officer has issued a formal, written contractual change.

If an effort under this Contract requires that an Alternate COR is to perform duties in the absence of the responsible COR, all responsibilities and functions assigned to the COR shall be the responsibility of the Alternate COR acting on behalf of the COR.

(d) Contractual Correspondence/Matters (Replaced 0108)

Correspondence involving contractual matters such as changes to contract terms and conditions (not including clause updates), funding, and cost savings shall be addressed to the *Procuring Contracting Officer (PCO)*. The PCO

shall be primarily responsible for Contractual actions required to be taken by the Government under the terms of this Contract. Notwithstanding the above, in the event the primary (PCO) is absent for an extended period or an urgent action is required, any other duly appointed Contracting Officer assigned shall be authorized to take the required Contractual action(s) within the limits of his/her authority. All correspondence involving the administration and execution of the existing terms and conditions, to include clause updates of the contract are to be addressed by the field office Administrative Contracting Officers (ACO)."

(e) Marking

To promote timely and effective administration, correspondence submitted under this Contract shall contain a subject line commencing with the Contract Number, as illustrated:

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

(f) Distribution

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

## G-2 MODIFICATION AUTHORITY

Notwithstanding any of the other clauses of this Contract, a Contracting Officer is the only individual authorized, on behalf of the Government, to:

(a) Accept nonconforming work;

(b) Waive any requirement of this Contract; or

(c) Modify any term or condition of this Contract.

## G-3 DOE/NNSA PATENT COUNSEL

The Patent Counsel for items concerning patent, intellectual property, technology transfer, copyright, open source, licenses and technical data issues is identified below. Correspondence being sent to the DOE/NNSA Patent Counsel should be addressed to:

NNSA Patent Counsel
Office of General Counsel (NA-GC)
P.O. Box 5400

Albuquerque, NM, 87185-5400
Phone: (505) 845-5172

## G-4 DOE/NNSA ORGANIZATIONAL PROPERTY MANAGEMENT OFFICER

The Contractor may use the Organizational Property Management Officer as a point of contact for guidance and assistance involving property requirements. The Contracting Officer shall be contacted for any matter which involves a change in any of the express terms and conditions of the Contract. Correspondence being sent to the Organizational Property Management Officer should be addressed to:

Organizational Property Management Officer (OPMO) Personal Property
Albuquerque
P.O. Box 5400
Albuquerque, New Mexico, 87185-5400 Telephone: (505) 845-5437

## G-5 CONTRACTOR CONTACT (REPLACED 0091, 0211, 0291)

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: | Richard Tighe |
| Position: | President and Chief Executive Officer |
| Company: | Consolidated Nuclear Security, LLC |
| Address: | 301 Bear Creek Road, PO Box 2009, Oak Ridge, TN 37831 |
| Phone: | (865) 241-1141 |
| E-mail: | richard.tighe@pxy12.doe.gov |

## G-6 PERFORMANCE GUARANTEE(S)

The Contractor is required to organize a separate corporate entity to perform the work under the Contract which shall be totally responsible for all Contract activities. The Contractor's parent organization(s) or all member organizations if the Contractor is a joint venture, limited liability company, or other similar entity, where more than one company is involved in a business relationship created for the purpose of performing under the resultant contract, shall guarantee performance as evidenced by the Performance Guarantee Agreement(s) incorporated in Section J, Appendix E, Performance Guarantee Agreement(s). If the Contractor is a joint venture, limited liability company, or other similar entity where more than one organization is involved, the parent or all member organizations shall assume joint and severable liability for the performance of the Contractor. In the event any of the signatories to the Performance Guarantee Agreement(s) enters into proceedings related to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Contracting Officer.

## G-7 RECOGNITION OF PERFORMING ENTITY (REPLACED 0090, 0165)

(a) The Contractor and the Government recognize that the parties named below form the performing entity on which the award of this Contract was based.

The performing entity is Consolidated Nuclear Security, LLC (CNS). This entity is comprised of: Bechtel National Inc., Leidos, Inc. (Leidos), ATK Launch Systems Inc., and SOC LLC.

(b) Accordingly, the Contractor and the Government agree that:

The Contractor that the parties named below form the performing entity on which the award of this Contract was based.

The performing entity is Consolidated Nuclear Security, LLC (CNS). This entity is comprised of: Bechtel National Inc., Leidos, Inc. (Leidos), ATK Launch Systems Inc., and SOC Officer.

## G-8 RESPONSIBLE CORPORATE OFFICIAL (REPLACED 0128, 0215, 0276)

Notwithstanding G-6, Performance Guarantee(s), the Government may contact, as necessary, the single responsible corporate official identified below, who is at a level above the Contractor and who is accountable for the performance of the Contractor. Should the responsible corporate official change during the period of the Contract, the Contractor shall promptly notify the Government of the change in the individual to contact.

Name: Dena Volovar
Position: Executive Vice President
Company: Bechtel National, Inc.
Address: 12011 Sunset Hills Road, Reston, VA 20190
Phone: (704) 429-6250
E-mail: dvolovar@bechtel.com

# SECTION H

## SPECIAL CONTRACT REQUIREMENTS

### H-1 CONFIDENTIALITY OF INFORMATION

(a) In accordance with the Contract's Section I Clause entitled "DEAR 952.209-72 Organizational Conflicts of Interest Alternate I," to the extent that the work under this Contract requires that the Contractor be given access to confidential or proprietary business, technical, or financial information belonging to the Government or other companies, the Contractor shall, after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized by the Contracting Officer in writing. The foregoing obligations, however, shall not apply to:

(1) Information which, at the time of receipt by the Contractor, is in the public domain;

(2) Information which is published after receipt thereof by the Contractor or otherwise becomes part of the public domain through no fault of the Contractor;

(3) Information which the Contractor can demonstrate was in its possession at the time of receipt thereof and was not acquired directly or indirectly from the Government or other companies; or

(4) Information which the Contractor can demonstrate was received by it from a third party that did not require the Contractor to hold it in confidence.

(b) The Contractor shall obtain the written agreement, in a form satisfactory to the Contracting Officer, with each employee permitted access, whereby the employee agrees that he will not discuss, divulge, or disclose any such information or data to any person or entity except those persons within the Contractor's organization directly concerned with the performance of the Contract.

(c) The Contractor agrees, if requested by the Government, to sign an agreement identical, in all material respects, to the terms of this clause, with each company supplying information to the Contractor under this Contract, and to supply a copy of such agreement to the Contracting Officer.

(d) The Contractor agrees that upon request by DOE/NNSA, it will execute a DOE/NNSA- approved agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities. Upon request by DOE/NNSA, such an agreement shall also be signed by Contractor personnel.

(e) This clause shall flow down to all subcontracts.

(f) Technical data is addressed in this Contract's Section I Clause entitled "DEAR 970.5227-2, Rights in Data-Technology Transfer."

## H-2 NNSA PRIME CONTRACTS

(a) In accordance with the Contract's Section I Clause entitled "DEAR 970.5243-1, Changes," the Contracting Officer may identify any of the work contemplated by Section J, Appendix A, Statement of Work, of this Contract to be performed either by another Contractor directly contracted by the DOE/NNSA or by Government employees. The Contractor agrees to fully cooperate with such other Contractors and Government employees, carefully fit its own work to such other work as may be directed by the Contracting Officer, and provide reasonable support as required. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by Government employees. For work identified for performance by another Contractor directly contracted by the NNSA:

(1) The Government and the Contractor will confer in advance on the strategy for changing responsibility for the work and will do so with the objective of minimum disruption to the site operations.

(2) The Government may designate the Contractor as the Technical Monitor (not authorized to accept or provide technical direction) for such Contracts that are directly related to the scope of this Contract. The Contractor agrees to perform such monitoring duties as shall be further described in the designation for each such Contract. No designation shall include, and the Contactor shall not perform any function determined to be inherently Governmental. These functions include, but are not limited to:

(i) Award, modification, change, or termination of the Contract.

(ii) Receipt, processing or adjudication of any claims, invoices, or demands for payment of any form.

(3) The Technical Monitor shall report to the Contracting Officer, or the Contracting Officer's Representative, any performance of a designated Contract that may not be in compliance with its terms and conditions but is not authorized to take any other action regarding such noncompliance.

(4) Additionally, the NNSA agrees to insert the clause below entitled "Other Government Contractors Performing Work at the Nuclear Production Sites," substantially as written here, in all such Contracts as follows:

*OTHER GOVERNMENT CONTRACTORS PERFORMING WORK AT THE NUCLEAR PRODUCTION SITES*

*In addition to this Contract, (Insert Contract Number), the Government may undertake or award other Contracts for additional work or services at the Nuclear Production Sites. The Contractor agrees to fully cooperate with the M&O Contractor, other Contractors, and Government employees, and carefully coordinate its own work with other work being performed at the site as may be directed by the Contracting Officer. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by Government employees at the site.*

*The Government may designate the M&O Contractor to be the Technical Monitor for any right, duty or interest in this Contract. If the M&O Contractor is designated, a copy of the designation letter will be provided to the Contractor by the Government. The Contractor further agrees to fully cooperate with the M&O Contractor for all matters under the terms of the designation.*

(b) In the cases where the Government directly contracts with other entities and retains administration, the Contractor shall fully cooperate with these other entities and provide reasonable support as required.

(c) Adjustments shall be made to the Contractor's Subcontracting Plan to recognize the changes to the subcontracting base and goals, if appropriate.

## H-3 INSTRUCTIONS FOR UPDATING FOREIGN OWNERSHIP, CONTROL OR INFLUENCE (FOCI) INFORMATION (JUN 2011)

(a) In order to submit periodic updates or to report changes to Foreign Ownership, Control or Influence information as required by this Contract's Section I Clause entitled "DEAR 952.204-2, Security," the Contractor shall use the DOE FOCI electronic submission system located at https://foci.anl.gov.

(b) New users, when registering to update information under this Contract, should select "NNSA Service Center Procurement" as the FOCI Office that will review the FOCI Submission.

(c) Electronic signatures are accepted; all FOCI documentation requiring signatures, dates, and company stamps, must be printed, completed, and uploaded into the Miscellaneous Tab within the eFOCI system. Hard copies are no longer required.

## H-4 CONTINUITY DURING TRANSITION

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

in this Contract. For changes that require NNSA approval, the Contractor will not implement a change until it is formally approved by the Contracting Officer.

## H-5 SMALL BUSINESS PARTICIPATION

Small business concerns, veteran-owned small business concerns, service-disabled veteran- owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns submitted by the Contractor in its proposal for purposes of evaluation for award, are incorporated into this Contract at Section J, Appendix K, Small Business Subcontracting Plan. To the extent that such concerns specifically were identified in the proposal, they are also incorporated into this Contract and the Contractor shall notify the Contracting Officer of any changes in scope and value, and any substitutions of firms. This notification shall include a rationale and justification for the changes.

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

The Contractor's performance in meeting and exceeding its proposed socio-economic business participation shall be assessed as part of the fee determination under this Contract.

## H-6 PARENT OVERSIGHT PLAN

(a) If a Parent Oversight Plan is requested by the Contracting Officer pursuant to Section J, Appendix A, Chapter I, 4.4.3, the Parent Oversight Plan will be attached and made part of the Contract at Section J. Elements of the Plan may be incorporated into the Performance Evaluation Plan. The Parent Oversight Plan shall identify the official(s) responsible for administration of the plan.

(b) The Contractor shall provide periodic reports of Parent Oversight activities and costs incurred as required by the Contracting Officer. Costs associated with Plan shall only include: the actual direct labor costs of the persons performing such services; a percentage factor of direct labor costs to cover fringe benefits and payroll taxes; travel; and other direct costs. Any fee or other indirect costs such as allocation for overhead, General and Administrative (G&A), and Cost of Money will not be reimbursed.

(c) Cost limitations set forth in paragraph (b) above shall not be exceeded without

prior Contracting Officer approval. The Parties agree that the costs may be reviewed further for appropriateness and scope. In addition, the Parties agree that a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability, shall be implemented. The Parties agree to negotiate in good faith any adjustments to these amounts as a result of empirical information from any such tracking system or reviews.

## H-7 LOBBYING RESTRICTION (FULL-YEAR CONTINUING APPROPRIATIONS ACT, 2011)

The contractor agrees that none of the funds obligated on this award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. § 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

## H-8 CONSTRUCTION PROJECTS (REPLACED 0185)

a) For each construction project performed under CLIN 0003, the Contractor agrees that the NNSA will incorporate, by mutual agreement, 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 413.3 and other applicable DOE Orders. When deemed appropriate, the NNSA may also identify requirements applicable to work performed under CLIN 0001 (e.g., portions of DOE O 413.3) that would not apply to a given Sub-CLIN.

b) Capital Construction Projects are defined, for the purposes of this Contract, as construction projects which are anticipated to exceed a total of $50M for all design and construction costs.

(1) The Contracting Officer may direct the Contractor to manage and/or perform Capital Construction Projects, or any portion thereof, under CLIN 0003 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 Contracting Officer may 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 contractor is directed to proceed as stated above, the Contractor may be entitled to an equitable adjustment in accordance with the terms of the Contract. If the Parties are unable to agree on a request for equitable adjustment submitted by the Contractor, the matter shall be treated as a dispute under the Disputes Clause of this Contract and the Contractor shall diligently proceed with the management and/or performance of the Capital Construction

Project pending the final outcome of the dispute.

c) Construction projects that do not meet the definition of Capital Construction Projects provided in paragraph (b) of this clause, are within the scope of CLIN 0001 and shall be performed or managed by the Contractor as directed by the Government. The Government may engage with the Contractor to determine whether a construction project that is within the scope of CLIN 0001 may be suitable for performance under CLIN 0003. If the parties agree that a construction project not meeting the definition of a Capital Construction Project may be performed under CLIN 0003, the Parties shall establish the Sub-CLIN in accordance with the provisions of paragraphs a), and b), above and Section B-9 of this Contract.

d) For construction projects performed under CLIN 0001, appropriate construction terms and conditions necessary for the completion of that project, and not otherwise contained in the M&O Contract, will be incorporated into the Contract or a work authorization, as appropriate. The work authorization will also include specific work requirements in accordance with applicable DOE Orders and the Contract's Section I clause entitled "DEAR 970.5211-1, Work Authorization."

## H-9 LIMITATION ON PROTECTIVE FORCE SUBCONTRACTING

The Contractor shall not subcontract protective force services and responsibilities.

## H-10 DEFINITION OF UNUSUALLY HAZARDOUS OR NUCLEAR RISK AND OTHER TERMS AS USED IN FAR CLAUSE 52.250-1, INDEMNIFICATION UNDER PUBLIC LAW 85-804 (ALTERNATE I – APR 1984) (ADDED 0008; MODIFIED 0090, 0165, 0195)

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

(1) Support of DOE's Accident Response Group activities outside the United States;

(2) Training and advising a foreign government's Accident Response Group outside the United States.

(3) Conducting Joint Technical Operations Team activities outside the United States;

(4) Activities on behalf of the Department of Energy involving weapons usable material in a nonproliferation effort on behalf of the United States, outside the

United States, as described in (i) through (iii):

(i) The Department of Energy's transparency monitoring activities in Russia under the U.S.-Russian Agreement Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons dated January 18, 1993; and any extension or modification thereof;

(ii) Inspection, packaging, transportation, and storage of weapons usable nuclear material located in the Former Soviet Union, including Russia;

(iii) Participation in the Department of Energy's nuclear materials protection and accountability programs in Russia, Ukraine, and Kazakhstan, including developing such systems and consulting and training individuals, or international inspectors on such systems under the:

(I) Agreement between the Department of Energy of the United States of America and the Federal Environmental, Industrial and Nuclear Supervision Service of Russia to Cooperate on National Protection, Control, and Accounting of Nuclear Materials (June 30, 1995), as extended and amended;

(II) Implementing Arrangement between the Department of Energy of the United States of America and the Ministry of Industry and New Technologies of the Republic of Kazakhstan for Cooperation in the Field of Nuclear Material Safeguards and Security (November 23, 2011)

(III) Agreement between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Kazakhstan concerning Control, Accounting, and Physical Protection of Nuclear Material to Promote the Prevention of Nuclear Weapons Proliferation dated 13 December 1993, amended and extended;

(IV) Agreement Between the United States of America and Ukraine Concerning Assistance to Ukraine in the Elimination of Strategic Nuclear Arms, and the Prevention of Proliferation of Weapons of Mass Destruction (October 25, 1993), as amended and extended;

(V) Joint Statement by the Secretary of Department of Energy of the United States of America and the Minister of the Russian Federation for Atomic Energy on Control, Accounting, and Physical Protection of Nuclear Materials dated 30 January 1996;

(VI) Joint Statement by the Secretary of Department of Energy of the United States of America and the Minister of the Russian Federation for Atomic Energy on Protection, Control, and Accounting of Nuclear Materials dated 30 June 1995; and

(VII) Protocol between the Government of the United States of America and the Government of the Russian Federation to the Framework

Agreement on a Multilateral Nuclear Environmental Programme in the Russian Federation of May 21, 2003 ( dated June 14, 2013), and any extension or modification thereof.

(VIII) Agreement between the Government of the United States of America and the Government of the Russian Federation Regarding Cooperation under the Framework Agreement on a Multilateral Nuclear Environmental Programme in the Russian Federation of May 21, 2003 and the June 14, 2013 Protocol Between the Government of the United States of America and the Government of the Russian Federation to the Framework Agreement on a Multilateral Environmental Programme in the Russian Federation of May 21, 2003 (June 14, 2013)

(5) Activities on behalf of the Department of Energy involving the supply or return of enriched uranium in a nonproliferation effort on behalf of the United States, as described in (i) through (ii):

(i) Supply of non-commercial grade uranium (typically enriched to greater than five (5) percent of the uranium-235 isotope) to authorized foreign entities for nonproliferation purposes, including but not limited to the supply of non-commercial grade uranium under the Reduced Enrichment for Research and Test Reactors program. Supply activities include project planning and management, material processing, packaging, loading, transportation planning, delivery and monitoring; and

(ii) Assistance in the Department of Energy's activities outside the United States under the Global Threat Reduction Initiative to remove and/or return noncommercial grade uranium (typically enriched to greater than five (5) percent of the uranium-235 isotope) to the United States or to another country for its disposition or protection. Assistance includes project planning and management, material loading, observation, container leak testing and tamper indicating device applications, technical support, and transportation and packaging support.

(6) Other United States-sponsored activities outside the United States, as requested or approved by the President of the United States, the Secretary of Energy, the Deputy Secretary of Energy, or the Under Secretary for Nuclear Security and provided that the request or approval specifically makes the indemnity provided by this clause applicable thereto, involving:

(i) Transparency monitoring activities;

(ii) Inspection, packaging, transportation, and storage of weapons usable nuclear material;

(iii) Nuclear materials protection, control and accountability programs known as the Material Protection Control and Accounting Systems;

(iv) Maintenance and repair of nuclear weapons conducted outside the United States, including the safe secure dismantlement of weapons outside of the United States;

(v) Responses to imminent terrorist or nuclear proliferation threats regardless of location outside the United States;

(vi) Dismantlement or conversion to non-military purposes of nuclear weapons, nuclear weapon components or nuclear materials which could be readily utilized either for the production or the fabrication of nuclear weapons without substantial further effort;

(vii) Development of the technology as part of Government programs for nuclear weapons deployment, nuclear weapons storage and stockpile stewardship, nuclear weapons transportation, nuclear weapons demilitarization/sanitization, nuclear weapons dismantlement or nuclear weapons disposition to the extent such work involves nuclear weapons located outside the United States, and provided in all cases that the requesting or approving official determines that such work is of a kind uniquely performed at the Government-owned nuclear weapons facilities or uniquely managed or over seen by the contractor-managers of such facilities; and

(viii) Other nonproliferation work relating to weapons-useable nuclear material.

(7) As requested or approved by the President of the United States, the Secretary of Energy, the Deputy Secretary, or the Under Secretary for Nuclear Security, non-proliferation, emergency response, antiterrorism activities, or critical national security activities that involve the use, detection, identification, assessment, control, containment, assembly, dismantlement, characterization, packaging, transportation, movement, storage, or disposal of nuclear, radiological, chemical, biological, or explosive materials, facilities and/or devices; provided that the activity relates to materials that are weapons usable or otherwise have the potential for mass destruction and further provided that the request or approval specifically makes the indemnity provided by this clause applicable to that particular activity

(8) Participation in tasks or activities by the Contractor or its subcontractors on or after March 13, 2020 through June 30, 2020 that is directed or authorized by the U.S. Department of Energy or the U.S. Department of Energy National Nuclear Security Administration, including work for others, as an element of activities taken now and through June 30, 2020 in response to COVID-19, including but not limited to efforts to test for the presence of COVID-19, to provide equipment and resources to address COVID-19, and to develop treatments and vaccines for COVID-19, to the extent the task or activity is not exempt from liability under the Public Readiness and Emergency Preparedness Act (PREP Act) or other law, or the exemption under the PREP Act or other law is limited in scope or amount which is not sufficient to provide complete protection against the liability to which the contractor is exposed.

b. The unusually hazardous or nuclear risks described above are indemnified to the

extent that they are not covered by the Price-Anderson Act, Section l 70d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. Section 2210(d), or where the indemnification provided by the Price-Anderson Act is limited by the restriction on public liability imposed by section 170e. of the Atomic Energy Act of 1954, as amended (42 U.S.C. Section 2210(e), to an amount which is not sufficient to provide complete indemnification for the legal liability to which the contractor is exposed.

c. Additional Definition of Terms (MODIFIED 0090, 0165

(1) As used in this H-10 clause, the term "nuclear materials" means source, special nuclear, or byproduct materials as those terms are defined in Section 11 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. § 2014.

(2) As used in Clause I-11, entitled FAR 52.250-1 INDEMNIFICATION UNDER PUBLIC LAW 85-804 (APR 1984) (ALTERNATIVE I)(APR 1984)

(i) the term "Contractor," except as used in paragraphs (a) and (e) of I-11 FAR 52.250- 1 means:

I. Consolidated Nuclear Security, LLC (Consolidated Nuclear Security or CNS),

II. Consolidated Nuclear Security member companies: Bechtel National, Inc., Leidos, Inc. (Leidos), ATK Launch Systems Inc., and SOC LLC, the parents companies and the affiliates of each, and

III. Employees, officers, and directors or any of the foregoing named or threatened to be named as defendants in lawsuits or litigation threatened or initiated by third parties which seek to impose or establish, or which could result in, a risk which is defined in this contract as unusually hazardous or nuclear, on account of actions or inactions of Consolidated Nuclear Security, or on account of the actions or inactions undertaken by the corporations or individuals identified in subparagraphs (a), (b), or (c) of FAR clause 52.250-1 for, and on behalf of, or with respect to, Consolidated Nuclear Security, under this Contract;

(ii) the term "Contractor" as used in paragraphs (a) and (e) of Clause I-11 means Consolidated Nuclear Security, LLC;

(iii) the term "Contractor's business" means the management and operation of Y-12 National Security Complex (Y-12), Pantex Plant (Pantex), and Savannah River Tritium Operations (SRTO) (if option is exercised) for the Department of Energy/NNSA under this contract;

(iv) the terms "Contractor's operations at any one plant or separate location in which this contract is being performed" and "a separate and complete major industrial operation in connection with the performance of this contract" mean

Y-12, Pantex and SRTO (if option is exercised) facilities located at Oak Ridge, Tennessee, Amarillo, Texas, and Aiken, South Carolina, respectively;

(v) the term "agency head" as used in this clause means the Secretary of Energy; and

(vi) the term “affiliate” as used in this clause means the member companies of Consolidated Nuclear Security (Bechtel National, Inc., Leidos Inc. (Leidos), ATK Launch Systems, Inc., and SOC LLC), as well as companies, other than Consolidated Nuclear Security, that directly or indirectly, own or are owned or otherwise control or are controlled by the member companies of Consolidated Nuclear Security.

**H-11 DOE-H-2068 CONFERENCE MANAGEMENT (MAR 2023) (ADDED 0015, REPLACED 0042, 0291)**

The Contractor agrees that:

(a) The contractor shall ensure that contractor-sponsored conferences, and contractor participation in DOE conferences sponsored by a Departmental Element, 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 shall ensure its sponsored 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 first defined by the Federal Travel Regulation (FTR) as “[a] meeting, retreat, seminar, symposium, or event that involves attendee travel. The term 'conference' also applies to training activities that are considered to be conferences under 5 C.F.R 410.404.” Additionally, the Department’s conference activity reporting guideline expands the FTR conference definition to disregard attendee travel as a determining factor, i.e., reporting can be required without the existence of attendee travel.

(c) Contractor-sponsored conferences include those events that meet the Department’s expanded conference definition, and a DOE contractor holds the role of primary decision- maker for key planning items such as conference theme, agenda, location/venue, dates, and conference participation.

(d) Merely providing the contractor’s facility space for a conference, or contractor staff participating in a conference, or procuring conference booth space, giving a speech, or serving as an honorary chairperson does not connote contractor sponsorship.

(e) The contactor will provide information on conferences they plan to sponsor, when expected costs exceed $100,000 in net costs to the Department, in the Department’s Conference Management Tool (CMT), 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, attendee registration costs
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 and approved by the corresponding federal executive oversight entity.

(g) For DOE-sponsored conferences (i.e., sponsored by a Departmental Element), the contractor will not expend funds on the proposed conference that exceeds $100,000 in net estimated DOE cost, until it is approved in the CMT by the management of the Departmental Element sponsoring the conference,

1) DOE-sponsored conferences include events that meet the Department's expanded conference definition, and a Departmental Element holds the role of primary decision-maker for key planning items such as conference theme, agenda, location/venue, dates and conference participation.
2) Merely providing Federal facility space for a conference, or Federal staff participating in a conference, or procuring conference booth space, giving a speech, or serving as an honorary chairperson does not connote DOE sponsorship.
3) The contractor will provide cost and attendance information on their participation in all DOE- sponsored conferences in the DOE Conference Management Tool.

(h) For conferences sponsored by a non-DOE external entity, the contractor shall develop and implement a process to ensure costs related to such conferences are tracked, allowable, allocable, reasonable, and further the mission of DOE/NNSA.

(i) Contractors are not required to enter participation or cost information on conferences sponsored by a non-DOE external entity in DOE'S Conference Management Tool.

(End of Clause)

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

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

"First-tier subcontract" means a subcontract awarded directly by the Contractor for the purpose of acquiring supplies or services (including construction) for performance of a prime contract. It does not include the Contractor's supplier agreements with vendors, such as long-term arrangements for materials or supplies that would benefit multiple contracts and/or the costs of which are normally applied to a Contractor's general and administrative expenses or indirect cost.

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

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

*(b) Limited Interim Reporting.*

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

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

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

(c) *Full Reporting.* The Contractor shall update their business systems and processes to collect and report data to MOSRC in compliance with the MOSRC Guide. The Contractor shall report data in MOSRC for FY17 (and each year thereafter) first-tier small business subcontracting transact ions under the contract. Classified subcontracts shall be excluded from the reporting requirements. All Contractor systems shall be updated in order to provide the first FY17 report in November 2016 for October 2016 transactions.

(d) *Pilot M&Os.* Oak Ridge National Laboratory, the National Security Campus

at the Kansas City Plant, and the National Renewable Energy Laboratory shall have their business systems updated in order to provide the first FY16 report in April 2016 for March 2016 transactions.

## H-13 PRIVACY ACT SYSTEMS OF RECORDS (ADDED 0091)

| 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 |

The above list shall be revised from time to time by mutual agreement between the Contractor and the Contracting Officer as may be necessary to keep it current. Such changes need not be formally incorporated into the Contract, but shall have the same effect as if actually listed above for the purpose of satisfying the listing requirement contained in Paragraph (a)(1) of the Contract clause entitled "Privacy Act."

## H-14 LABORATORY, PLANT AND SITE STRATEGIC PLANNING (ADDED 0175)

The Contractor shall submit to DOE/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 management team shall present their plans and engage in discussions with senior DOE/NNSA leadership annually, if required in the annual strategic planning guidance, and as directed by the Contracting Officer.

## H-15 PAID LEAVE UNDER SECTION 3610 OF THE CORONAVIRUS AID, RELIEF, AND SECURITY ACT (CARES ACT) TO MAINTAIN EMPLOYEES AND SUBCONTRACTORS IN A READY STATE (APRIL 2020). (ADDED 0196; MODIFIED 0206, 0212, 0216, 0220, 0225)

(a) The Contractor may submit for reimbursement and the Government (without requiring consideration but precluding additional fee) will treat as allowable (if otherwise allowable per federal regulations) the costs of paid leave (including sick leave) the Contractor or its subcontractors provide to keep employees in a ready state if--

(1) The employees: cannot perform work on a site approved by the Federal Government (including a federally-owned or leased facility or site) due to facilities closures or other restrictions; and cannot telework because their job duties cannot be performed remotely during the public health emergency declared

on January 31, 2020 for COVID–19.

(2) The costs are incurred from January 31, 2020 through September 30, 2021.

(i) The costs do not reflect any amount exceeding an average of 40 hours per week for paid leave.

(b) Where other relief provided for by the CARES Act or any other Act would benefit the contractor or the contractor's subcontractors, including, but not limited to, funds available under sections 1102 and 1106 of the CARES Act, the contractor should evaluate the applicability of such benefits in seeking reimbursement under the contract.

(c) The Contractor must represent in any request for reimbursement--

(i) Either it: has not received, has not claimed, and will not claim any other reimbursement, including claims for reimbursement via letter of credit, for federal funds available under the CARES Act for the same purpose, including, but not limited to, funds available under sections 1102 and 1106 of the CARES Act; or if it has received, claimed, or will claim other reimbursement, that reimbursement has been reflected, or will be reflected when known, in requests for reimbursement but in no case reflected later than in its final proposal to determine allowable incurred costs.

(ii) Its request reflects or will reflect as soon as known all applicable credits, including:

(iii) Tax credits, including credits allowed pursuant to division G of Public Law 116-127; and

(iv) Applicable credits allowed under the CARES Act including applicable credits for loan guarantees.

## H-16 CORONAVIRUS (COVID-19) VACCINE (ADDED 0217)

The Contractor, as an authorized COVID-19 Vaccination Program Provider, may administer COVID-19 vaccinations to Contractor employees, federal employees, NNSA support service contractor employees, employees of other DOE management and operating contractors, and/or others, in accordance with work authorization requirements, Inter-Contractor Purchase requirements, and/or other written direction provided by the Contracting Officer or the Contracting Officer Representative. The Contractor shall perform such duties in accordance with Federal and State laws, regulations, and guidelines, including direction from any Authority Having Jurisdiction (as that term is defined by relevant Public Readiness and Emergency Preparedness Act Declarations), applicable Vaccination Program Provider Agreements, and any other applicable COVID-19 immunization direction applicable to the Contractor as a condition of receipt of COVID-19 vaccine doses.

## H-17 PROHIBITION ON FUNDING FOR CERTAIN NONDISCLOSURE AGREEMENTS (ADDED 0227)

The Contractor agrees that:

(a) No cost associated with implementation or enforcement of nondisclosure policies, forms or agreements shall be allowable under this contract if such policies, forms or agreements

do not contain the following provisions: ‘‘These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive order relating to--

(1) classified information,

(2) communications to Congress,

(3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or

(4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this agreement and are controlling.’’

(b) The limitation above shall not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(c) Notwithstanding the provisions of paragraph (a), a nondisclosure or confidentiality policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure or confidentiality forms shall also make it clear that they do not bar disclosures to Congress, or to an authorized official of an executive agency or the Department of Justice, that are essential to reporting a substantial violation of law.

## H-18 PERSONAL PROTECTIVE EQUIPMENT (PPE) STRATEGIC RESERVE (ADDED 0230)

The Contractor shall maintain the Site NNSA Strategic Reserve of critical PPE and cleaning consumables for all onsite federal employees, M&O contractor and subcontractor (if applicable) employees, and routine visitors to support continuity of critical mission work including Primary Mission Essential Functions (PMEFs), Mission Essential Functions (MEFs), and Essential Supporting Activities (ESAs), sufficient to sustain normal operations for a minimum of 120 days or as directed by the Contracting Officer. The Contractor shall provide PPE inventory data into the SAFER-PPE reporting tool monthly or as directed by the Contracting Officer.

(End of Clause)

## H-19 DOE-H-2084 MITIGATING SUPPLY CHAIN RISK (OCT 2022) (ADDED 0291)

DOE/NNSA utilizes a Supply Chain Risk Management (SCRM) Program to identify, assess, and monitor supply chain risks of critical vendors. The Government may use any information, public and non-public, including all-source intelligence for its analysis. The Contractor agrees that the Government

may, at its own discretion, perform audits of supply chain risk processes or events consistent with other terms in the contract regarding access to records and audits. An onsite assessment may be required. Through the information obtained from a SCRM program, DOE may assess vendors and products through multiple risk lenses such as national security, cybersecurity, compliance, and finance. If supply chain risks are identified and corrective action becomes necessary, mutually agreeable corrective actions will be sought based upon specific identified risks. Failure to resolve any identified risk may result in contract termination.

(End of Clause)

**H-20 DOE-H-2084 MITIGATING SUPPLY CHAIN RISK USING ENHANCED PROCUREMENT AUTHORITY FOR INFORMATION AND COMMUNICATION TECHNOLOGY (OCT 2022) (ADDED 0291)**

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

Covered article - The term "covered article" includes –

(1) “Information technology” which means –

(i) any equipment or interconnected system or subsystem of equipment, used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency, if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency that requires the use –

(A) of that equipment, or

(B) of that equipment to a significant extent in the performance of a service or the furnishing of a product;

(ii) computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources; however,

(iii) does not include any equipment acquired by a federal contractor incidental to a federal contract.

(2) “Telecommunications Equipment”, which means equipment, other than customer premises equipment, used by a carrier to provide

telecommunications services, and includes software integral to such equipment (including upgrades).

(3) "Telecommunications Service", which means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

(4) the processing of information on a Federal or non-Federal information system, subject to the requirements of the Controlled Unclassified Information program; or

(5) hardware, systems, devices, software, or services that include embedded or incidental information technology.

Supply Chain Risk - The term "Supply Chain Risk" means the risk that a person may sabotage, maliciously introduce unwanted function, extract data, or otherwise manipulate the design, integrity, manufacturing, production, distribution, installation, operation, maintenance, disposition, or retirement of covered articles so as to surveil, deny, disrupt, or otherwise manipulate the function, use, or operation of the covered articles or information stored or transmitted on the covered articles.

(b) The Contractor shall take all prudent actions, and comply with all Government directions (as identified in (c)), to mitigate supply chain risk when providing covered articles or services affecting covered articles to the Government.

(c) In order to manage supply chain risk, the Government may use the authority provided by 41 U.S.C. 4713 to, among other things, withhold consent for the Contractor to subcontract with a particular source or direct the Contractor to exclude a particular source from consideration for a subcontract under the contract.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

(End of Clause)

**H-21 DOE-H-2084 MITIGATING SUPPLY CHAIN RISK USING ENHANCED PROCUREMENT AUTHORITY FOR NATIONAL SECURITY SYSTEMS, NUCLEAR WEAPONS COMPONENTS AND ASSOCIATED ITEM (OCT 2022) (ADDED 0291)**

(a) *Definitions.* As used in this clause–
(1) "Covered system" means-

(A) National security systems (as defined at 44 U.S. Code § 3552) and components of such systems;

(B) Nuclear weapons and components of nuclear weapons;

(C) Items associated with the design, development, production, and maintenance of nuclear weapons or components of nuclear weapons;

(D) Items associated with the surveillance of the nuclear weapon stockpile; or

(E) Items associated with the design and development of nonproliferation and counterproliferation programs and systems.

(2) "Covered item of supply" means an item—

(A) that is purchased for inclusion in a covered system; and the loss of integrity of which could result in a supply chain risk for a covered system.

(3) "Supply Chain Risk" means the risk that an adversary may sabotage, maliciously introduce unwanted function, or otherwise subvert the design, integrity, manufacturing, production, distribution, installation, operation, or maintenance of a covered system or covered item of supply so as to surveil, deny, disrupt, or otherwise degrade the function, use, or operation of the system or item of supply.

(b) The Contractor shall take all prudent actions, and comply with all Government directions (as identified in (c)), to mitigate supply chain risk when providing covered systems or covered items of supply to the Government, and services affecting covered systems or covered items of supply.

(c) In order to manage supply chain risk, the Government may use the authority provided by 50 U.S.C. 2786, to, among other things, withhold of consent for the Contractor to subcontract with a particular source or direct the Contractor to exclude a particular source from consideration for a subcontract under the contract When the Government exercises this authority, it will only provide the Contractor with information pertaining to the basis of the action to the extent necessary to carry out the action. No action taken by the Government pursuant to 50 U.S.C. § 2786 shall be subject to review in any Federal court.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

(End of Clause.)

# PART II – CONTRACT CLAUSES

## SECTION I

## CONTRACT CLAUSES

## TABLE OF CONTENTS


I-1 FAR CLAUSES INCORPORATED BY REFERENCE (MODIFIED 0015, 0034, 0091, 0106, 0165, 0184, 0288, 0291, 303) ..... 3

I-2 DEAR CLAUSES INCORPORATED BY REFERENCE (MODIFIED 0015, 0091, 0106, 0128, 0255, 0276) ..... 7

I-3 FAR 52.202-1 DEFINITIONS (NOV 2013) (AS MODIFIED BY DEAR 952.202-1) .... 10

I-4 FAR 52.209-9 UPDATES OF PUBLICLY AVAILABLE INFORMATION REGARDING RESPONSIBILITY MATTERS (JUL 2013) (REPLACED M0015) .... 10

I-5 FAR 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000) ..... 12

I-6 FAR 52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997) ..... 12

I-7 FAR 52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA DESIGNATED ITEMS (MAY 2008) ..... 13

I-8 FAR 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001) ..... 13

I-9 FAR 52.225-9 BUY AMERICAN ACT–CONSTRUCTION MATERIALS (MAY 2014) (REPLACED M0091) ..... 14

I-10 FAR 52.247-67 SUBMISSION OF TRANSPORTATION DOCUMENTS FOR AUDIT (FEB 2006) ..... 17

I-11 FAR 52.250-1 INDEMNIFICATION UNDER PUBLIC LAW 85-804 (APR 1984) ALTERNATE I (APR 1984) SEE NOTE** (MODIFIED 0008) ..... 18

I-12 FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) ..... 20

I-13 FAR 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984) ..... 20

I-14 DEAR 952.250-70 NUCLEAR HAZARDS INDEMNITY AGREEMENT (AUG 2016) ..... 20

I-15 DEAR 970.5203-3 CONTRACTOR'S ORGANIZATION (DEC 2000) (DEVIATION) ..... 23

I-16 DEAR 970.5204-2 LAWS, REGULATIONS, AND DOE DIRECTIVES (DEC 2000) (DEVIATION) ..... 25

I-17 DEAR 970.5215-1 [REMOVED AND RESERVED] (DEVIATION) ..... 26

I-18 DEAR 970.5215-3 CONDITIONAL PAYMENT OF FEE, PROFIT, AND OTHER INCENTIVES— FACILITY MANAGEMENT CONTRACTS (AUG 2019) (NNSA CLASS DEVIATION) (MODIFIED 0181) ..... 26

**I-20 DEAR 970.5227-2 RIGHTS IN DATA-TECHNOLOGY TRANSFER (DEC 2000) ALTERNATE I (DEC 2000) (NNSA CLASS DEVIATION OCT 2011)..... 36**

**I-21 DEAR 970.5227-3 TECHNOLOGY TRANSFER MISSION (AUG 2002) ALTERNATE II (DEC 2000) (NNSA CLASS DEVIATION OCT 2011)..... 51**

**I-22 DEAR 970.5227-12 PATENT RIGHTS-MANAGEMENT AND OPERATING CONTRACTS, FOR PROFIT CONTRACTOR, ADVANCE CLASS WAIVER (AUG 2002) ALTERNATE I (DEVIATION JAN 2022) (REPLACED 0291)..... 62**

**I-23 DEAR 970.5232-2 PAYMENTS AND ADVANCES (OCT 2021) ALTERNATE II (DEC 2021) ALTERNATE IV (DEC 2000) (NNSA CLASS DEVIATION FEB 2022) (REPLACED 0255)..... 78**

**I-24 DEAR 970.5232-3 ACCOUNTS, RECORDS AND INSPECTION (OCT 2021) (NNSA CLASS DEVIATION NOV 2021) (REPLACED 0255)..... 82**

**I-25 DEAR 970.5232-6 WORK FOR OTHERS FUNDING AUTHORIZATION (DEC 2000) (NNSA CLASS DEVIATION OCT 2011)..... 85**

**I-26 DEAR 970.5244-1 CONTRACTOR PURCHASING SYSTEM (OCT 2021) (NNSA CLASS DEVIATION FEB 2022) (REPLACED 0091, 0203, 0255)..... 85**

**I-27 FAR 52.208-8 REQUIRED SOURCES FOR HELIUM AND HELIUM USAGE DATA (APR 2002) (ADDED M0015)..... 90**

**I-28 FAR 52.222-30 DAVIS-BACON ACT—PRICE ADJUSTMENT (NONE OR SEPARATELY SPECIFIED METHOD) (DEC 2001) (ADDED M0015)..... 91**

**I-29 FAR 52.225-11 BUY AMERICAN ACT - CONSTRUCTION MATERIALS UNDER TRADE AGREEMENTS (NOV 2013) (ADDED M0015)..... 91**

**I-30 FAR 52.234-4 EARNED VALUE MANAGEMENT SYSTEM (JUL 2006) (ADDED M0015)..... 97**

**I-31 DELETED BY MOD 0106..... 97**

**I-32 DEAR 970.5231-4 PREEXISTING CONDITIONS ALTERNATE II (DEC 2000) (DEVIATION) (ADDED M0128)..... 98**

**I-33 DEAR 970.5204-3 ACCESS TO AND OWNERSHIP OF RECORDS (OCT 2014) (DEVIATION) (ADDED M0106)..... 98**

**I-34 - FAR 52.216-7 Allowable Cost and Payment (OCT 2021) (NNSA CLASS DEVIATION FEB 2022) (ADDED 0182; REPLACED 0255)..... 100**

**I-35 FAR 52.217-8 Option to Extend Services (ADDED 0236)..... 107**

**I-36 DELETED BY MOD 0291..... 107**

**I-37 FAR 52.242-4 Certification of Final Indirect Costs (Jan 1997) (ADDED 0255)..... 107**

**I-38 DEAR 970.5203-1 Management Controls (JUN 2007) (ADDED 0255)..... 108**

**Notice:** *Clauses incorporated by reference.*

## I-1 FAR CLAUSES INCORPORATED BY REFERENCE (MODIFIED 0015, 0034, 0091, 0106, 0165, 0184, 0288, 0291, 303)

The references cited herein are from the Federal Acquisition Regulation (FAR) (48 CFR Chapter 1). The following FAR clauses are hereby incorporated by reference:

### FAR (48 CFR CHAPTER 1) CLAUSES

| FAR NUMBER | CLAUSE TITLE *(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 52.203-3 | Gratuities | Apr 1984 |
| 52.203-5 | Covenant Against Contingent Fees | Apr 1984 |
| 52.203-6 | Restrictions on Subcontractor Sales to the Government | Sep 2006 |
| 52.203-7 | Anti-Kickback Procedures | Oct 2010 |
| 52.203-8 | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity | Jan 1997 |
| 52.203-10 | Price or Fee Adjustment for Illegal or Improper Activity | Jan 1997 |
| 52.203-12 | Limitation on Payments to Influence Certain Federal Transactions | Oct 2010 |
| 52.203-13 | Contractor Code of Business Ethics and Conduct (Replaced 0303) | Nov 2021 |
| 52.203-14 | Display of Hotline Poster(s) (Replaced 0106) | Oct 2015 |
| 52.203-17 | Contractor Employee Whistleblower Rights and Requirements to Inform Employees of Whistleblower Rights (Added 0034) | Apr 2014 |
| 52.203-19 | Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Added 0106) | Jan 2017 |
| 52.204-4 | Printed or Copied Double-Sided on Postconsumer Fiber Content Paper | May 2011 |
| 52.204-7 | System for Award Management (Replaced 0015) | July 2013 |
| 52.204-10 | Reporting Executive Compensation and First-Tier Subcontract Awards (Replaced 0015, 0106) | Oct 2016 |
| 52.204-23 | Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Added 0165) | Jul 2018 |
| 52.204-25 | Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Added 0184) | Aug 2019 |
| 52.204-27 | Prohibition on a ByteDance Covered Application (Added 0291) | Jun 2023 |
| 52.209-6 | Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Replaced 0015, 0106) | Oct 2015 |

| FAR NUMBER | CLAUSE TITLE *(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 52.209-10 | Prohibition on Contracting with Inverted Domestic Corporations (Replaced 0015) | May 2012 |
| 52.210-1 | Market Research | Apr 2011 |
| 52.211-5 | Material Requirements | Aug 2000 |
| 52.215-2 | Audit and Records -- Negotiation | Oct 2010 |
| 52.215-8 | Order of Precedence -- Uniform Contract Format | Oct 1997 |
| 52.215-12 | Subcontractor Certified Cost or Pricing Data | Oct 2010 |
| 52.215-13 | Subcontractor Certified Cost or Pricing Data -- Modifications | Oct 2010 |
| 52.215-15 | Pension Adjustments and Asset Reversions | Oct 2010 |
| 52.215-17 | Waiver of Facilities Capital Cost of Money | Oct 1997 |
| 52.215-23 | Limitations on Pass-Through Charges | Oct 2009 |
| 52.219-8 | Utilization of Small Business Concerns (Replaced M0015) | Jul 2013 |
| 52.219-9 | Small Business Subcontracting Plan - Alt II (Replaced 0015, 0106) | Jan 2017 |
| 52.219-16 | Liquidated Damages -- Subcontracting Plan | Jan 1999 |
| 52.219-25 | Small Disadvantaged Business Participation Program - Disadvantaged Status and Reporting (Replaced M0015) | Jul 2013 |
| 52.222-1 | Notice to the Government of Labor Disputes | Feb 1997 |
| 52.222-3 | Convict Labor | Jun 2003 |
| 52.222-4 | Contract Work Hours and Safety Standards Act -- Overtime Compensation | Jul 2005 |
| 52.222-6 | Davis-Bacon Act | Jul 2005 |
| 52.222-7 | Withholding of Funds | Feb 1988 |
| 52.222-8 | Payrolls and Basic Records | Jun 2010 |
| 52.222-9 | Apprentices and Trainees | Jul 2005 |
| 52.222-10 | Compliance with Copeland Act Requirements (Replaced M0015) | Feb 1998 |
| 52.222-11 | Subcontracts (Labor Standards) | Jul 2005 |
| 52.222-12 | Contract Termination – Debarment | Feb 1988 |
| 52.222-13 | Compliance with Davis-Bacon and Related Act Regulations | Feb 1988 |
| 52.222-14 | Disputes Concerning Labor Standards | Feb 1988 |
| 52.222-15 | Certification of Eligibility | Feb 1988 |
| 52.222-16 | Approval of Wage Rates | Feb 1988 |
| 52.222-20 | Walsh-Healey Public Contracts Act | Oct 2010 |

| FAR NUMBER | CLAUSE TITLE<br>*(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 52.222-21 | Prohibition of Segregated Facilities | Feb 1999 |
| 52.222-26 | Equal Opportunity | Mar 2007 |
| 52.222-29 | Notification of Visa Denial | Jun 2003 |
| 52.222-35 | Equal Opportunity for Veterans (Replaced 0106) | Oct 2015 |
| 52.222-36 | Equal Opportunity for Workers With Disabilities (Revised 0034) | Jul 2014 |
| 52.222-37 | Employment Reports on Veterans (Replaced 0106) | Feb 2016 |
| 52.222-40 | Notification of Employee Rights Under the National Labor Relations Act | Dec 2010 |
| 52.222-50 | Combating Trafficking in Persons | Feb 2009 |
| 52.222-54 | Employment Eligibility Verification (Replaced 0015, 0106) | Oct 2015 |
| 52.222-55 | Minimum Wages Under Executive Order 13658 (Added 0106) | Dec 2015 |
| 52.222-62 | Paid Sick Leave Under Executive Order 13706 (Added 0288) | Jan 2022 |
| 52.223-2 | Affirmative Procurement of Biobased Products Under Service and Construction FAR Contracts (Replaced 0015) | Sep 2013 |
| 52.223-3 | Hazardous Material Identification and Material Safety Data, Alternate I (Jul 1995)<br>*(b) Nothing identified to date.* | Jan 1997 |
| 52.223-5 | Pollution Prevention and Right-to-Know Information, Alternate I (May 2011) | May 2011 |
| 52.223-6 | Drug Free Workplace (Added 0015) | May 2001 |
| 52.223-10 | Waste Reduction Program | May 2011 |
| 52.223-12 | Refrigeration Equipment and Air Conditioners | May 1995 |
| 52.223-15 | Energy Efficiency in Energy-Consuming Products | Dec 2007 |
| 52.223-16 | IEEE 1680 Standard for Environmental Assessment of Personal Computer Products Alt I (Added 0015) | Dec 2007 |
| 52.223-17 | Affirmative Procurement of EPA-Designated Items in Service and Construction Contracts | May 2008 |
| 52.223-18 | Encouraging Contractor Policies to Ban Text Messaging While Driving | Aug 2011 |
| 52.224-1 | Privacy Act Notification | Apr 1984 |
| 52.224-2 | Privacy Act | Apr 1984 |
| 52.225-1 | Buy American Act—Supplies | Feb 2009 |
| 52.225-8 | Duty Free Entry (Added 0106) | Oct 2010 |
| 52.225-13 | Restriction on Certain Foreign Purchases | Jun 2008 |

| FAR NUMBER | CLAUSE TITLE<br>*(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 52.225-25 | Affirmative Action Compliance Requirements for Construction (Added 0015; Clause No. Corrected 0091)) | Feb 1999 |
| 52.226-1 | Utilization of Indian Organizations and Indian-Owned Economic Enterprises | Jun 2000 |
| 52.227-10 | Filing of Patent Applications -- Classified Subject Matter | Dec 2007 |
| 52.228-12 | Prospective Subcontractor Requests for Bonds (Added 0015) | Oct 1985 |
| 52.228-15 | Performance and Payment Bonds - Construction (Added 0015) | Oct 2010 |
| 52.229-8 | Taxes -- Foreign Cost-Reimbursement Contracts<br>*(a) Name of foreign government is 'the foreign country(ies) referenced in the applicable Work Authorization or as specified by the Contracting Officer'. Name of country is 'exempt under the laws of 'the Country(ies) referenced in the applicable Work Authorization or as specified by the Contracting Officer'.* | Mar 1990 |
| 52.230-2 | Cost Accounting Standards (Replaced 0015, 0106) | Oct 2015 |
| 52.230-6 | Administration of Cost Accounting Standards | Jun 2010 |
| 52.232-17 | Interest | Oct 2010 |
| 52.232-18 | Availability of Funds | Apr 1984 |
| 52.232-24 | Prohibition of Assignment of Claims | Jan 1986 |
| 52.233-1 | Disputes, Alternate I (Dec 1991) | July 2002 |
| 52.233-3 | Protest After Award, Alternate I (Jun 1985) | Aug 1996 |
| 52.233-4 | Applicable Law for Breach of Contract Claim | Oct 2004 |
| 52.236-5 | Material and Workmanship (Added 0015) | Apr 1984 |
| 52.236-7 | Permits and Responsibilities (Added 0015) | Nov 1991 |
| 52.236-18 | Work Oversight in Cost-Reimbursement construction Contracts (Added 0015) | Apr 1984 |
| 52.236-19 | Organization and Direction of the Work (Added 0015) | Apr 1984 |
| 52.236-24 | Work Oversight in Architect-Engineer contracts (Added 0015 | Apr 1984 |
| 52.236-25 | Requirements for Registration of Designers (Added 0015) | Jun 2003 |
| 52.237-3 | Continuity of Services | Jan 1991 |
| 52.242-1 | Notice of Intent to Disallow Costs | Apr 1984 |
| 52.242-3 | Penalties for Unallowable Costs (Added 0255) | Sep 2021 |
| 52.242-13 | Bankruptcy | Jul 1995 |

| FAR NUMBER | CLAUSE TITLE<br>*(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 52.244-2 | Subcontracts (Added 0015) | Oct-10 |
| 52.244-5 | Competition in Subcontracting | Dec 1996 |
| 52.244-6 | Subcontracts for Commercial Products and Commercial Services (Replaced 0291) | Jun 2023 |
| 52.247-1 | Commercial Bill of Lading Notations<br>*(a) Specific agency is 'U.S. Department ofEnergy, National Nuclear Security Administration'.*<br>*(b) Specific agency is 'U.S. Department of Energy, National Nuclear Security Administration'. Contract No. is 'DE-NA0001942'. Contact is 'the Contracting Officer'.* | Feb 2006 |
| 52.247-63 | Preference for U.S.-Flag Air Carriers | June 2003 |
| 52.247-64 | Preference for Privately Owned U.S.-Flag Commercial Vessels | Feb 2006 |
| 52.249-6 | Termination (Cost-Reimbursement) | May 2004 |
| 52.249-14 | Excusable Delays | Apr 1984 |
| 52.251-1 | Government Supply sources (Replaced 0015) | Apr 2012 |
| 52.251-2 | Interagency Fleet Management System Vehicles and Related Services | Jan 1991 |
| 52.253-1 | Computer Generated Forms | Jan 1991 |

## I-2 DEAR CLAUSES INCORPORATED BY REFERENCE (MODIFIED 0015, 0091, 0106, 0128, 0255, 0276)

The references cited herein are from the U.S. Department of Energy Acquisition Regulation (DEAR) (48 CFR Chapter 9). The following DEAR clauses are hereby incorporated by reference:

DEAR (48 CFR CHAPTER 9) CLAUSES

| DEAR NUMBER | CLAUSE TITLE<br>*(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 952.203-70 | Whistleblower Protection for Contractor Employees | Dec 2000 |
| 952.204-2 | Security | Mar 2011 |
| 952.204-70 | Classification/Declassification | Sep 1997 |
| 952.204-71 | Sensitive Foreign Nations Controls | Mar 2011 |
| 952.204-75 | Public Affairs | Dec 2000 |

| DEAR NUMBER | CLAUSE TITLE<br>*(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 952.204-77 | Computer Security | Aug 2006 |
| 952.208-7 | Tagging of Leased Vehicles | Apr 1984 |
| 952.208-70 | Printing (Added 0015) | Apr 1984 |
| 952.209-72 | Organizational Conflicts of Interest, Alternate I<br>*(b)(1)(i) Period is 'five (5) years'.* | Aug 2009 |
| 952.211-71 | Priorities and Allocations (ATOMIC ENERGY) | Apr 2008 |
| 952.215-70 | Key Personnel<br>*(a) Cross-reference is 'Section J, Appendix J'.* | Dec 2000 |
| 952.217-70 | Acquisition of Real Property | Mar 2011 |
| 952.223-75 | Preservation of Individual Occupational Radiation Exposure Records | Apr 1984 |
| 952.223-78 | Sustainable Acquisition Program | Oct 2010 |
| 952.226-74 | Displaced Employee Hiring Preference | Jun 1997 |
| 952.227-82 | Rights to Proposal Data<br>*Pages is 'all'. Date is 'November 6, 2012'.* | Apr 1994 |
| 952.236-71 | Inspection in Architect-Engineer contracts (Added 0015) | Apr 1994 |
| 952.242-70 | Technical Direction (Added 0015) | Dec 2000 |
| 952.247-70 | Foreign Travel | Jun 2010 |
| 952.251-70 | Contractor Employee Travel Discount | Aug 2009 |
| 970.5203-2 | Performance Improvement and Collaboration (Added 0015; Clause No. Corrected 0091) | May 2006 |
| 970.5223-3 | Agreement Regarding Workplace Substance Abuse Programs at DOE Sites (Added 0015; Clause No. Corrected 0091) | Dec 2010 |
| 970.5204-1 | Counterintelligence | Dec 2010 |
| 970.5208-1 | Printing | Dec 2000 |
| 970.5211-1 | Work Authorization | May 2007 |
| 970.5217-1 | Work for Others Program (Non-DOE Funded Work) | Jan 2005 |
| 970.5222-1 | Collective Bargaining Agreements-Management and Operating Contracts | Dec 2000 |

| DEAR NUMBER | CLAUSE TITLE<br>*(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 970.5222-2 | Overtime Management<br>*(a) The Contractor shall maintain adequate internal controls to ensure that employee overtime is authorized only if cost effective and necessary to ensure performance of work under this contract. In addition, no costs may be incurred for employee overtime associated with training and education unless the Contractor obtains express written approval in advance from the agency approving official.* (Modified 0276) | Dec 2000 (DEVIATION) |
| 970.5223-1 | Integration of Environment, Safety, and Health into Work Planning and Execution | Dec 2000 |
| 970.5223-4 | Workplace Substance Abuse Programs at DOE Sites | Dec 2010 |
| 970.5223-6 | Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management | Oct 2010 |
| 970.5223-7 | Sustainable Acquisition Program | Oct 2010 |
| 970.5226-1 | Diversity Plan | Dec 2000 |
| 970.5226-2 | Workforce Restructuring Under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 | Dec 2000 |
| 970.5226-3 | Community Commitment | Dec 2000 |
| 970.5227-4 | Authorization and Consent | Aug 2002 |
| 970.5227-5 | Notice and Assistance Regarding Patent and Copyright Infringement | Aug 2002 |
| 970.5227-6 | Patent Indemnity-Subcontracts | Dec 2000 |
| 970.5227-8 | Refund of Royalties | Aug 2002 |
| 970.5228-1 | Insurance-Litigation and Claims (Replaced 0015) | Jul 2013 |
| 970.5229-1 | State and Local Taxes | Dec 2000 |
| 970.5231-4 | **Removed Mod 0128** | |
| 970.5232-1 | Reduction or Suspension of Advance, Partial, or Progress Payments | Dec 2000 |
| 970.5232-4 | Obligation of Funds | Dec 2000 |
| 970.5232-5 | Liability with Respect to Cost Accounting Standards | Dec 2000 |
| 970.5232-7 | Financial Management System (Replaced 0255) | Oct 2021 |
| 970.5232-8 | Integrated Accounting (Replaced 0255) | Oct 2021 |
| 970.5236-1 | Government Facility Subcontract Approval | Dec 2000 |

| DEAR NUMBER | CLAUSE TITLE<br>*(Any insertions appear below the title in italics)* | DATE OF CLAUSE |
|---|---|---|
| 970.5243-1 | Changes | Dec 2000 |
| 970.5245-1 | Property (Replaced 0015) | Jan 2013 |

**Notice II:** *Clauses incorporated in full text.*

**I-3 FAR 52.202-1 DEFINITIONS (NOV 2013) (AS MODIFIED BY DEAR 952.202-1) (REPLACED M0015)**

When a solicitation provision or contract clause uses a word or term that is defined in the Federal Acquisition Regulation (FAR), the word or term has the same meaning as the definition in FAR 2.101 in effect at the time the solicitation was issued, unless-

(a) The solicitation, or amended solicitation, provides a different definition;

(b) The contracting parties agree to a different definition;

(c) The part, subpart, or section of the FAR where the provision or clause is prescribed provides a different meaning; or

(d) The word or term is defined in FAR Part 31, for use in the cost principles and procedures.

(e) When a solicitation provision or contract clause uses a word or term that is defined in the Department of Energy Acquisition Regulation (DEAR) (48 CFR chapter 9), the word or term has the same meaning as the definition in 48 CFR 902.101 or the definition in the part, subpart, or section of 48 CFR chapter 9 where the provision or clause is prescribed in effect at the time the solicitation was issued, unless an exception in (a) applies."

**I-4 FAR 52.209-9 UPDATES OF PUBLICLY AVAILABLE INFORMATION REGARDING RESPONSIBILITY MATTERS (JUL 2013) (REPLACED M0015)**

(a) The Contractor shall update the information in the Federal Awardee Performance and Integrity Information System (FAPIIS) on a semi-annual basis, throughout the life of the contract, by posting the required information in the System for Award Management database via https://www.acquisition.gov.

(b) As required by section 3010 of the Supplemental Appropriations Act, 2010 (Pub. L. 111-212), all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available. FAPIIS consist of two segments—

(1) The non-public segment, into which Government officials and the Contractor post information, which can only be viewed by—

(i) Government personnel and authorized users performing business on behalf of the Government; or

(ii) The Contractor, when viewing data on itself; and

(2) The publicly-available segment, to which all data in the non-public segment of FAPIIS is automatically transferred after a waiting period of 14 calendar days, except for--

(i) Past performance reviews required by subpart 42.15;

(ii) Information that was entered prior to April 15, 2011; or

(iii) Information that is withdrawn during the 14-calendar-day waiting period by the Government official who posted it in accordance with paragraph (c)(1) of this clause.

(c) The Contractor will receive notification when the Government posts new information to the Contractor's record.

(1) If the Contractor asserts in writing within 7 calendar days, to the Government official who posted the information, that some of the information posted to the non- public segment of FAPIIS is covered by a disclosure exemption under the Freedom of Information Act, the Government official who posted the information must within 7 calendar days remove the posting from FAPIIS and resolve the issue in accordance with agency Freedom of Information procedures, prior to reposting the releasable information. The contractor must cite 52.209-9 and request removal within 7 calendar days of the posting to FAPIIS.

(2) The Contractor will also have an opportunity to post comments regarding information that has been posted by the Government. The comments will be retained as long as the associated information is retained, i.e., for a total period of 6 years. Contractor comments will remain a part of the record unless the Contractor revises them.

(3) As required by section 3010 of Pub. L. 111-212, all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available.

(d) Public requests for system information posted prior to April 15, 2011, will be handled under Freedom of Information Act procedures, including, where appropriate, procedures promulgated under E.O. 12600."

## I-5 FAR 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 days of contract expiration; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 10 years.

## I-6 FAR 52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997)

(a) The Contractor shall notify the Contracting Officer or designee, in writing, 30 days prior to the delivery of, or prior to completion of any servicing required by this contract of, items containing either

(1) radioactive material requiring specific licensing under the regulations issued pursuant to the Atomic Energy Act of 1954, as amended, as set forth in Title 10 of the Code of Federal Regulations, in effect on the date of this contract, or

(2) other radioactive material not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries.

Such notice shall specify the part or parts of the items which contain radioactive materials, a description of the materials, the name and activity of the isotope, the manufacturer of the materials, and any other information known to the Contractor which will put users of the items on notice as to the hazards involved (OMB No. 9000-0107).

(b) If there has been no change affecting the quantity of activity, or the characteristics and composition of the radioactive material from deliveries under this contract or prior contracts, the Contractor may request that the Contracting Officer or designee waive the notice requirement in paragraph (a) of this clause. Any such request shall --

(1) Be submitted in writing;

(2) State that the quantity of activity, characteristics, and composition of the radioactive material have not changed; and

(3) Cite the contract number on which the prior notification was submitted and the contracting office to which it was submitted.

(c) All items, parts, or subassemblies which contain radioactive materials in which the specific activity is greater than 0.002 microcuries per gram or activity per item equals or exceeds 0.01 microcuries, and all containers in which such items, parts or subassemblies are delivered to the Government shall be clearly marked and labeled as required by the latest revision of MIL-STD 129 in effect on the date of the contract.

(d) This clause, including this paragraph (d), shall be inserted in all subcontracts for radioactive materials meeting the criteria in paragraph (a) of this clause.

**I-7 FAR 52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA DESIGNATED ITEMS (MAY 2008)**

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

"Postconsumer material" means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material."

"Recovered material" means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

*(b)* The Contractor, on completion of this contract, shall—

(1) Estimate the percentage of the total recovered material content for EPA-designated item(s) delivered and/or used in contract performance, including, if applicable, the percentage of postconsumer material content; and

(2) Submit this estimate to the Contracting Officer.

**I-8 FAR 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001)**

(a) *Definition. "Ozone-depleting substance,"* as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as--

(1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or

(2) Class II, including, but not limited to hydrochlorofluorocarbons.

(b) The Contractor shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as follows:

Warning

Contains (or manufactured with, if applicable) *_____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.

* The Contractor shall insert the name of the substance(s).

## I-9 FAR 52.225-9 BUY AMERICAN ACT–CONSTRUCTION MATERIALS (MAY 2014) (REPLACED M0091)

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

"Commercially available off-the-shelf (COTS)

item"—

(1) Means any item of supply (including construction material) that is—

(i) A commercial item (as defined in paragraph (1) of the definition at FAR 2.101);

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

"Component" means an article, material, or supply incorporated directly into a construction material.

"Construction material" means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site. Materials purchased directly by the Government are supplies, not construction material.

"Cost of components" means--

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition,

plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

"Domestic construction material" means—

(1) An unmanufactured construction material mined or produced in the United States;

(2) A construction material manufactured in the United States, if—

(i) The cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic; or

(ii) The construction material is a COTS item.

"Foreign construction material" means a construction material other than a domestic construction material.

"United States" means the 50 States, the District of Columbia, and outlying areas.

*(b) Domestic preference.*

(1) This clause implements the 41 U.S.C. chapter 83, Buy American, by providing a preference for domestic construction material. In accordance with 41 U.S.C. 1907, the component test of the Buy American statute is waived for construction material that is a COTS item. (See FAR 12.505(a)(2)). The Contractor shall use only domestic construction material in performing this contract, except as provided in paragraphs (b)(2) and (b)(3) of this clause.

(2) This requirement does not apply to information technology that is a commercial item or to the construction materials or components listed by the Government as follows: None.

(3) The Contracting Officer may add other foreign construction material to the list in paragraph (b)(2) of this clause if the Government determines that

(i) The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the requirements of the Buy American statute is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent;

(ii) The application of the restriction of the Buy American statute to a particular construction material would be impracticable or inconsistent with the public interest; or

(iii) The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

*(c) Request for determination of inapplicability of the Buy American statute.*

(1)

(i) Any Contractor request to use foreign construction material in accordance with paragraph (b)(3) of this clause shall include adequate information for Government evaluation of the request, including--

(A) A description of the foreign and domestic construction materials;

(B) Unit of measure;

(C) Quantity;

(D) Price;

(E) Time of delivery or availability;

(F) Location of the construction project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (b)(3) of this clause.

(ii) request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph (d) of this clause.

(iii) The price of construction material shall include all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued).

(iv) Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.

(2) If the Government determines after contract award that an exception to the Buy American statute applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer will modify the contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (b)(3)(i) of this clause.

(3) Unless the Government determines that an exception to the Buy American statute applies, use of foreign construction material is noncompliant with the Buy American statute.

(d) *Data.* To permit evaluation of requests under paragraph (c) of this clause based on unreasonable cost,

the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Construction Materials Price Comparison

| Construction material description | Unit of measure | Quantity | Price (dollars) * |
|---|---|---|---|
| *Item 1* | | | |
| **Foreign construction material** | | | |
| **Domestic construction material** | | | |
| *Item 2* | | | |
| **Foreign construction material** | | | |
| **Domestic construction material** | | | |

[*List name, address, telephone number, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.*]

[*Include other applicable supporting information.*]

[**Include all delivery costs to the construction site and any applicable duty (whether or not a duty-free entry certificate is issued).]*

## I-10 FAR 52.247-67 SUBMISSION OF TRANSPORTATION DOCUMENTS FOR AUDIT (FEB 2006)

(a) The Contractor shall submit to the address identified below, for prepayment audit, transportation documents on which the United States will assume freight charges that were paid
–

(1) By the Contractor under a cost-reimbursement contract; and

(2) By a first-tier subcontractor under a cost-reimbursement subcontract thereunder.

(b) Cost-reimbursement Contractors shall only submit for audit those bills of lading with freight shipment charges exceeding $100. Bills under $100 shall be retained on-site by the Contractor and made available for on-site audits. This exception only applies to freight shipment bills and is not intended to apply to bills and invoices for any other transportation services.

(c) Contractors shall submit the above referenced transportation documents

to— DOE Automated Transportation System in accordance with DOE

Orders.

## I-11 FAR 52.250-1 INDEMNIFICATION UNDER PUBLIC LAW 85-804 (APR 1984) ALTERNATE I (APR 1984) SEE NOTE** (MODIFIED 0008)

***Note**: This clause becomes applicable when the Offeror/Contractor submits an acceptable request for indemnification and receives approval from the Secretary of Energy.***

(a) "Contractor's principal officials," as used in this clause, means directors, officers, managers, superintendents, or other representatives supervising or directing --

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed; or

(3) A separate and complete major industrial operation in connection with the performance of this contract.

(b) Under Public Law 85-804 (50 U.S.C 1431-1435) and Executive Order 10789, as amended, and regardless of any other provisions of this contract, the Government shall, subject to the limitations contained in the other paragraphs of this clause, indemnify the Contractor against --

(1) Claims (including reasonable expenses of litigation or settlement) by third persons (including employees of the Contractor) for death; personal injury; or loss of, damage to, or loss of use of property;

(2) Loss of, damage to, or loss of use of Contractor property, excluding loss of profit; and

(3) Loss of, damage to, or loss of use of Government property, excluding loss of profit.

(c) This indemnification applies only to the extent that the claim, loss, or damage

(1) arises out of or results from a risk defined in this contract as unusually hazardous or nuclear and

(2) is not compensated for by insurance or otherwise.

Any such claim, loss, or damage, to the extent that it is within the deductible amounts of the Contractor's insurance, is not covered under this clause. If insurance coverage or other financial protection in effect on the date the approving official authorizes use of this clause is reduced, the Government's liability under this clause shall not increase as a result.

(d) When the claim, loss, or damage is caused by willful misconduct or lack of good faith on the part of any of the Contractor's principal officials, the Contractor shall not be indemnified for --

(1) Government claims against the Contractor (other than those arising through subrogation); or

(2) Loss or damage affecting the Contractor's property.

(e) With the Contracting Officer's prior written approval, the Contractor may, in any subcontract under this contract, indemnify the subcontractor against any risk defined in this contract as unusually hazardous or nuclear. This indemnification shall provide, between the Contractor and the subcontractor, the same rights and duties, and the same provisions for notice, furnishing of evidence or proof, and Government settlement or defense of claims as this clause provides. The Contracting Officer may also approve indemnification of subcontractors at any lower tier, under the same terms and conditions. The Government shall indemnify the Contractor against liability to subcontractors incurred under subcontract provisions approved by the Contracting Officer.

(f) The rights and obligations of the parties under this clause shall survive this contract's termination, expiration, or completion. The Government shall make no payment under this clause unless the agency head determines that the amount is just and reasonable. The Government may pay the Contractor or subcontractors, or may directly pay parties to whom the Contractor or subcontractors may be liable.

(g) The Contractor shall --

(1) Promptly notify the Contracting Officer of any claim or action against, or any loss by, the Contractor or any subcontractors that may be reasonably be expected to involve indemnification under this clause;

(2) Immediately furnish to the Government copies of all pertinent papers the Contractor receives;

(3) Furnish evidence or proof of any claim, loss, or damage covered by this clause in the manner and form the Government requires; and

(4) Comply with the Government's directions and execute any authorizations required in connection with settlement or defense of claims or actions.

(h) The Government may direct, control, or assist in settling or defending any claim or action that may involve indemnification under this clause.

(i) The cost of insurance (including self-insurance programs) covering a risk defined in this contract as unusually hazardous or nuclear shall not be reimbursed except to the extent that the Contracting Officer has required or approved this insurance. The Government's obligations under this clause are --

(1) Excepted from the release required under this contract's clause relating to allowable cost; and

(2) Not affected by this contract's *Availability of Funds or Obligation of Funds* clause.

## I-12 FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

| | |
|---|---|
| *Federal Acquisition Regulations* | *http://farsite.hill.af.mil/vffara.htm* or *https://www.acquisition.gov/far/index.html* |
| *Federal Acquisition Forms* | *http://www.gsa.gov/forms/farnumer.htm* |
| *Department of Energy Acquisition Regulations* | *http://energy.gov/management/downloads/searchable-electronic-department-energy-acquisition-regulation* or *http://farsite.hill.af.mil/vfdoea.htm* |

## I-13 FAR 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any Department of Energy Acquisition Regulation (48 CFR Chapter 9) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

## I-14 DEAR 952.250-70 NUCLEAR HAZARDS INDEMNITY AGREEMENT (AUG 2016) (REPLACED M0091)

(a) *Authority.* This clause is incorporated into this contract pursuant to the authority contained in subsection 170d. of the Atomic Energy Act of 1954, as amended (hereinafter called the Act.)

(b) *Definitions.* The definitions set out in the Act shall apply to this clause.

(c) *Financial protection.* Except as hereafter permitted or required in writing by DOE, the Contractor will not be required to provide or maintain, and will not provide or maintain at Government expense, any form of financial protection to cover public liability, as described in paragraph (d)(2) below. DOE may, however, at any time require in writing that the Contractor provide and maintain financial protection of such a type and in such amount as DOE shall determine to be appropriate to cover such public liability, provided that the costs of such financial protection are reimbursed to the Contractor by DOE.

(d)(1) *Indemnification.* To the extent that the Contractor and other persons indemnified are not compensated by any financial protection permitted or required by DOE, DOE will indemnify the

Contractor and other persons indemnified against (i) claims for public liability as described in subparagraph (d)(2) of this clause; and (ii) such legal costs of the Contractor and other persons indemnified as are approved by DOE, provided that DOE's liability, including such legal costs, shall not exceed the amount set forth in section 170e.(1)(B) of the Act in the aggregate for each nuclear incident or precautionary evacuation occurring within the United States or $500 million in the aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.

(2) The public liability referred to in subparagraph (d)(1) of this clause is public liability as defined in the Act which (i) arises out of or in connection with the activities under this contract, including transportation; and (ii) arises out of or results from a nuclear incident or precautionary evacuation, as those terms are defined in the Act.

(e)(1) *Waiver of defenses.* In the event of a nuclear incident, as defined in the Act, arising out of nuclear waste activities, as defined in the Act, the Contractor, on behalf of itself and other persons indemnified, agrees to waive any issue or defense as to charitable or governmental immunity.

(2) In the event of an extraordinary nuclear occurrence which—

(i) Arises out of, results from, or occurs in the course of the construction, possession, or operation of a production or utilization facility; or

(ii) Arises out of, results from, or occurs in the course of transportation of source material, by-product material, or special nuclear material to or from a production or utilization facility; or

(iii) Arises out of or results from the possession, operation, or use by the Contractor or a subcontractor of a device utilizing special nuclear material or by-product material, during the course of the contract activity; or

(iv) Arises out of, results from, or occurs in the course of nuclear waste activities, the Contractor, on behalf of itself and other persons indemnified, agrees to waive—

(A) Any issue or defense as to the conduct of the claimant (including the conduct of persons through whom the claimant derives its cause of action) or fault of persons indemnified, including, but not limited to—

(1) Negligence;

(2) Contributory negligence;

(3) Assumption of risk; or

(4) Unforeseeable intervening causes, whether involving the conduct of a third person or an act of God;
(B) Any issue or defense as to charitable or governmental immunity; and

(C) Any issue or defense based on any statute of limitations, if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or change and the

cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waiver shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified.

(v) The term *extraordinary nuclear occurrence* means an event which DOE has determined to be an extraordinary nuclear occurrence as defined in the Act. A determination of whether or not there has been an extraordinary nuclear occurrence will be made in accordance with the procedures in 10 CFR part 840.

(vi) For the purposes of that determination, *offsite* as that term is used in 10 CFR part 840 means away from "the contract location" which phrase means any DOE facility, installation, or site at which contractual activity under this contract is being carried on, and any contractor-owned or controlled facility, installation, or site at which the Contractor is engaged in the performance of contractual activity under this contract.

(3) The waivers set forth above—

(i) Shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action;

(ii) Shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified;

(iii) Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;

(iv) Shall not apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

(v) Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place, if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;

(vi) Shall not apply to any claim resulting from a nuclear incident occurring outside the United States;

(vii) Shall be effective only with respect to those obligations set forth in this clause and in insurance policies, contracts or other proof of financial protection; and

(viii) Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (A) the limit of liability provisions under subsection 170e. of the Act, and (B) the terms of this agreement and the terms of insurance policies, contracts, or other proof of financial protection.

(f) *Notification and litigation of claims.* The Contractor shall give immediate written notice to DOE of any known action or claim filed or made against the Contractor or other person indemnified for public

liability as defined in paragraph (d)(2). Except as otherwise directed by DOE, the Contractor shall furnish promptly to DOE, copies of all pertinent papers received by the Contractor or filed with respect to such actions or claims. DOE shall have the right to, and may collaborate with, the Contractor and any other person indemnified in the settlement or defense of any action or claim and shall have the right to (1) require the prior approval of DOE for the payment of any claim that DOE may be required to indemnify hereunder; and (2) appear through the Attorney General on behalf of the Contractor or other person indemnified in any action brought upon any claim that DOE may be required to indemnify hereunder, take charge of such action, and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by DOE, the Contractor or other person indemnified shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

(g) *Continuity of DOE obligations.* The obligations of DOE under this clause shall not be affected by any failure on the part of the Contractor to fulfill its obligation under this contract and shall be unaffected by the death, disability, or termination of existence of the Contractor, or by the completion, termination or expiration of this contract.

(h) *Effect of other clauses.* The provisions of this clause shall not be limited in any way by, and shall be interpreted without reference to, any other clause of this contract, including the clause entitled Contract Disputes, provided, however, that this clause shall be subject to the clauses entitled Covenant Against Contingent Fees, and Accounts, records, and inspection, and any provisions that are later added to this contract as required by applicable Federal law, including statutes, executive orders and regulations, to be included in Nuclear Hazards Indemnity Agreements.

(i) *Civil penalties.* The Contractor and its subcontractors and suppliers who are indemnified under the provisions of this clause are subject to civil penalties, pursuant to 234A of the Act, for violations of applicable DOE nuclear-safety related rules, regulations, or orders.

(j) *Criminal penalties.* Any individual director, officer, or employee of the Contractor or of its subcontractors and suppliers who are indemnified under the provisions of this clause are subject to criminal penalties, pursuant to 223(c) of the Act, for knowing and willful violation of the Atomic Energy Act of 1954, as amended, and applicable DOE nuclear safety-related rules, regulations or orders which violation results in, or, if undetected, would have resulted in a nuclear incident.

(k) *Inclusion in subcontracts.* The Contractor shall insert this clause in any subcontract which may involve the risk of public liability, as that term is defined in the Act and further described in paragraph (d)(2) above. However, this clause shall not be included in subcontracts in which the subcontractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b. of the Act or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under the subcontract.

## I-15 DEAR 970.5203-3 CONTRACTOR'S ORGANIZATION (DEC 2000) (DEVIATION)

*(a)* Organization chart. As promptly as possible after the execution of this contract, the

Contractor shall furnish to the Contracting Officer *(1)* a chart showing the names, duties, and organization of key personnel (see 48 CFR 952.215-70) to be employed in connection with the work, and shall furnish supplemental information to reflect any changes as they occur*; and, (2) a chart showing the name and organization of the Contractor's Parent Organization's responsible official for administering the Contractor's Parent Organization's Oversight Plan, and shall furnish supplemental information to reflect any changes as they occur.*

*(b)* Supervisory representative of Contractor. Unless otherwise directed by the Contracting Officer, a competent full-time resident supervisory representative of the Contractor satisfactory to the Contracting Officer shall be in charge of the work at the site, and any work off-site, at all times. *For purposes of this contract, the [insert name or title of resident supervisory representative of the contractor] is the resident supervisory representative of the contractor.*

*(c)* Control of employees. The Contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, and integrity and shall be responsible for taking such disciplinary action with respect to its employees as may be necessary. In the event the Contractor fails to remove any employee from the contract work whom DOE deems incompetent, careless, or insubordinate, or whose continued employment on the work is deemed by DOE to be inimical to the Department's mission, the Contracting Officer may require, with the approval of *the Administrator of the NNSA or* the Secretary of Energy, the Contractor to remove the employee from work under the contract. This includes the right to direct the Contractor to remove its most senior key person from work under the contract for serious contract performance deficiencies. *Furthermore, nothing contained in this paragraph (c) shall in any way impair the statutory or contractual collective bargaining rights of union- represented contractor employees.*

*(d)* Standards and procedures. The Contractor shall establish such standards and procedures as are necessary to implement the requirements set forth in 48 CFR 970.0371. Such standards and procedures shall be subject to the approval of the Contracting Officer.

*(e) Nothing in this clause or its implementation is intended to conflict with 42 U.S.C. §7274p, or to otherwise affect the scientific integrity of persons required to provide independent technical judgments to provide the President or the Congress assurances on the safety, security, reliability, or effectiveness of the US nuclear weapons stockpile.*

## I-16 DEAR 970.5204-2 LAWS, REGULATIONS, AND DOE DIRECTIVES (DEC 2000) (DEVIATION)

(a) In performing work under this contract, the Contractor shall comply with the requirements of applicable Federal, State, and local laws and regulations (including DOE regulations), unless relief has been granted in writing by the appropriate regulatory agency.

(b) In performing work under this contract, the Contractor shall comply with the requirements of those Department of Energy directives, or parts thereof, *and National Nuclear Security Administration Policy Letters* identified in the *contract's Section J Appendix entitled "*List of Applicable Directives*" (the List)*. Except as otherwise provided for in paragraph (d) of this clause, the Contracting Officer may, from time to time and at any time, revise *the* List by unilateral modification to the contract to add, modify, or delete specific requirements. Prior to revising *the* List, the Contracting Officer shall notify the Contractor in writing of the Department's intent to revise *the* List and provide the Contractor with the opportunity to assess the effect of the Contractor's compliance with the revised list on contract cost and funding, technical performance, and schedule; and identify any potential inconsistencies between the revised list and the other terms and conditions of the contract. Within 30 days after receipt of the Contracting Officer's notice, the Contractor shall advise the Contracting Officer in writing of the potential impact of the Contractor's compliance with the revised list. Based on the information provided by the Contractor and any other information available, the Contracting Officer shall decide whether to revise *the* List and so advise the Contractor not later than 30 days prior to the effective date of the revision of *the* List. The Contractor and the Contracting Officer shall identify and, if appropriate, agree to any changes to other contract terms and conditions, including cost and schedule, associated with the revision of *the* List *and fee may be adjusted* pursuant to the clause of this contract entitled, "Changes."

(c) Environmental, safety, and health (ES&H) requirements appropriate for work conducted under this contract may be determined by a DOE approved process to evaluate the work and the associated hazards and identify an appropriately tailored set of standards, practices, and controls, such as a tailoring process included in a DOE approved Safety Management System implemented under the clause entitled "Integration of Environment, Safety, and Health into Work Planning and Execution." When such a process is used, the set of tailored (ES&H) requirements, as approved by DOE pursuant to the process, shall be incorporated into *the* List as contract requirements with full force and effect. These requirements shall supersede, in whole or in part, the contractual environmental, safety, and health requirements previously made applicable to the contract by *the* List. If the tailored set of requirements identifies an alternative requirement varying from an ES&H requirement of an applicable law or regulation, the Contractor shall request an exemption or other appropriate regulatory relief specified in the regulation.

(d) Except as otherwise directed by the Contracting Officer, the Contractor shall procure all necessary permits or licenses required for the performance of work under this contract.

(e) Regardless of the performer of the work, the Contractor is responsible for compliance with

the requirements of this clause. The Contractor is responsible for flowing down the requirements of this clause to subcontracts at any tier to the extent necessary to ensure the Contractor's compliance with the requirements.

## I-17 DEAR 970.5215-1 [REMOVED AND RESERVED] (DEVIATION)

## I-18 DEAR 970.5215-3 CONDITIONAL PAYMENT OF FEE, PROFIT, AND OTHER INCENTIVES— FACILITY MANAGEMENT CONTRACTS (AUG 2019) (NNSA CLASS DEVIATION) (MODIFIED 0181)

(a) *Definition of Earned Fee.*

For the purposes of this clause, "earned Fe" means the sum total of all incentive fees, , award fees, fixed fees, and share of cost savings earned by the contractor during a performance evaluation period, as determined by the contracting officer or fee determining official (as appropriate). In the NNSA, the Fee Determining Official (FDO) is the Administrator, unless otherwise delegated. Where the contract provides for financial incentives that extend beyond a single performance evaluation period, this amount shall also include: any provisional amounts determined otherwise payable in the evaluation period; and, if provisional payments are not provided for, the allocable amount of any incentive determined otherwise payable at the conclusion of a subsequent performance evaluation period. The allocable amount shall be the total amount of the Earned Fee divided by the number of evaluation periods over which it was earned.

(b) *General.*

ES&H means "Environment, safety and health." The purpose of accident investigations is to identify and understand causes so deficiencies can be addressed and corrected. This, in turn, is intended to promote improved environmental protections, safety, and health of DOE employees, contractors, and the general public. Facility management contracts are management and operating (M&O) contracts, as defined at 48 CFR subpart 17.6.

(1) The payment of any Earned Fee under this contract is dependent upon—

(i) The Contractor's or Contractor employees' compliance with the terms and conditions of this contract relating to environment, safety and health (ES&H), including performance under an approved Safety Management System (SMS); and

(ii) The Contractor's or Contractor employees' compliance with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information.

(2) If the contractor does not meet the performance requirements or terms and conditions of this contract relating to ES&H or related to safeguarding of Restricted Data and other classified information during any performance evaluation period, the contracting officer may unilaterally reduce Earned Fee.

(3) The ES&H performance requirements of this contract are set forth in its ES&H terms and conditions, including the DOE approved contractor SMS or similar document. Financial incentives for timely mission accomplishment or cost effectiveness shall never compromise or impede full and effective implementation of the SMS and full ES&H compliance.

(4) The performance requirements of this contract are related to the safeguarding of Restricted Data and other classified information as set forth in the clauses of this contract, entitled DEAR 952.204-2 SECURITY (AUG 2016), "SECURITY," or its successor, and DEAR 970.5204-2 (DEC 2000) (CLASS DEVIATION), *"Laws, Regulations, and DOE Directives,"* or its successor, as well as in other terms and conditions.

*(c) Reduction amount.*

(1) The amount of Earned Fee that may be unilaterally reduced is correlated to the severity of the performance failure.

(i) Level 1 performance failure: not less than 26% nor greater than 100%;

(ii) Level 2 performance failure: not less than 11% nor greater than 25%; and

(iii) Level 3 performance failure: not greater than 10%.

*(d) Mitigating Factors.*

(1) In determining the amount of the reduction and the applicability of mitigating factors, the contracting officer must consider the Contractor's overall performance in meeting the ES&H or security requirements of the contract. Such consideration must include performance against any site-specific performance criteria/requirements that provide additional definition, guidance for the amount of reduction, or guidance for the applicability of mitigating factors. In all cases, the contracting officer must consider mitigating factors that may warrant a reduction below the applicable range.

(2) The mitigating factors include, but are not limited to, the following:

(i) Degree of control the Contractor had over the event or incident.

(ii) Efforts the Contractor had made to anticipate and mitigate the possibility of the event in advance.

(iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.

(iv) General status (trend and absolute performance) of: ES&H and compliance in

related areas; or of safeguarding Restricted Data and other classified information and compliance in related areas.

(v) Contractor demonstration to the Contracting Officer's satisfaction that the principles of industrial ES&H standards are routinely practiced (e.g., Voluntary Protection Program, ISO 14000).

(vi) Event caused by "Good Samaritan" act by the Contractor (e.g., offsite emergency response).

(vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain ES&H performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, ES&H programs).

(viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in ES&H by use of lessons-learned and best practices inter- and intra-DOE sites.

*(e) Effect of Reduction.*

(1) The Government will effect Earned Fee reductions as soon as practical. If the effective date of the reduction falls after the completion of the fee determination for the evaluation period during which the performance failure occurred, the Government will effect the reduction during a subsequent evaluation period, by issuing a demand for payment or by reducing any Earned Fee, at the contracting officer's sole discretion. If the performance failure occurs during the last evaluation period before termination or completion of the contract, reduction will be effected as soon as practical during contract close-out.

(2) The amount of reduction under this clause, in combination with any reduction made under any other clause in the contract, shall not exceed the amount of Earned Fee.

(f) Environment, Safety and Health (ES&H). Performance failures occur if the Contractor does not comply with the contract's ES&H requirements, standards, terms or conditions (including the DOE/NNSA approved Contractor SMS). The levels of performance failure under which reductions of earned fee are:

(1) *Level 1:* Performance failures that are most adverse to ES&H. Examples of Level 1 performance failures include, but are not limited to:

(i) Failure to develop and maintain required DOE/NNSA approval of an SMS;

(ii) Any action/event that is considered an "Accident" for which an Accident Investigation Board (AIB) is appointed pursuant to DOE Order 225.1B, Accident Investigations, or its successor. Accidents also include those investigated by Joint Accident Investigation Boards (JAIB), in which federal and M&O staff members team up to investigate the incident;

(iii) A combination of two, Level 2 performance failures that are significantly adverse to ES&H occurring during the same evaluation period; and

(iv) Contractor actions that result in a breakdown of the SMS that resulted in great harm to the environmen~~tal~~, safety and health of the general public.

(2) *Level 2:* Performance failures that are significantly adverse to ES&H. Examples of Level 2 performance failures include, but are not limited to:

(i) Any action/event that nearly results in an "Accident" for which an AIB is appointed pursuant to DOE Order 225.1B, Accident Investigations, or its successor;

(ii) A failure to comply with an approved SMS that results in injury, exposure, or exceedance;

(iii) Failure to notify DOE/NNSA (e.g., NNSA Field Office Manager or other authorized official) of an imminent danger situation after discovery, where such notification is a requirement of the contract;

(iv) Failure to mitigate a dangerous situation that could cause an Accident; and

(v) Contractor actions that result in a breakdown of the SMS that resulted in serious harm to the environmen~~tal~~, safety and health of the general public.

(3) *Level 3:* Performance failures that reflect a lack of focus on maintaining or improving ES&H. Examples of Level 3 performance failures include, but are not limited to:

(i) Failure to implement effective corrective actions to address deficiencies/noncompliances documented through: external or internal oversight (e.g., reported per DOE Order 231.1B, Environment, Safety and Health Reporting, or its successor, requirements; DOE Order 232.2A, Occurrence Reporting and Processing of Operations Information, or its successor);

(ii) Multiple similar non-compliances identified with ES&H by external oversight that in aggregate indicate a significant programmatic breakdown;

(iii) Non-compliance with ES&H requirements, standards, terms or conditions that either have, or may have, significant negative impacts to the worker, the public, or the environment or that indicate a significant programmatic breakdown;

(iv) Failure to notify DOE/NNSA, as appropriate, upon discovery of events or conditions where notification is required by the terms and conditions of the contract; and

(v) Contractor actions that result in a breakdown of the SMS that resulted in

harm to the environmental, safety and health of the general public.

(g) *Safeguarding Restricted Data and/or Other Classified Information.* Performance failures occur if the Contractor does not comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and/or other classified information. The levels of performance failure under which reductions of Earned Fee will be determined as follows:

(1) *Level 1:* Performance failure to comply with applicable law, DOE regulation, or directive, that has resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security. Examples of Level 1 performance failures include, but are not limited to:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of: Top Secret Restricted Data or other information classified as Top Secret, any information in a Special Access Program (SAP) (regardless of classification level), information identified as sensitive compartmented information (SCI), or high-risk nuclear weapons-related data;

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of: Top Secret Restricted Data, or other information classified as Top Secret, any information in a SAP (regardless of classification level), information identified as SCI, or high- risk nuclear weapons-related data;

(iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of: Top Secret Restricted Data, or other information classified as Top Secret, any information in a SAP (regardless of classification level), information identified as SCI, or high-risk nuclear weapons-related data; and

(iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of: Top Secret Restricted Data or other information classified as Top Secret, any information in a SAP (regardless of classification level), information identified as SCI, or high-risk nuclear weapons-related data.

(2) *Level 2:* Performance failure to comply with applicable law, DOE regulation, or directive, that has resulted in, or that can reasonably be expected to result in, serious damage to the national security. Examples of Level 2 performance failures include, but are not limited to:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret;

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss,

compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret;

(iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Restricted Data or other classified information regardless of classification (except for information covered by paragraph (g)(1)(iii) of this clause); and

(iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other classified information classified as Secret.

(3) *Level 3:* Performance failure that has been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security. In addition, this category includes performance failures that result from a lack of Contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future, more severe performance failures and/or conditions, and if identified and corrected early would prevent serious incidents. Examples of Level 3 performance failures include, but are not limited to:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential;

(ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information;

(iii) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the Contractor's Safeguards and Security Plan or other security plan, as applicable;

(iv) Contractor actions that result in performance failures which unto themselves pose minor risk, but when viewed in the aggregate indicate degradation in the integrity of the Contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information; and

(v) Contractor actions that result in a breakdown of the safeguards and security management system that resulted in the loss, compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret.

## I-19 DEAR 970.5215-4 COST REDUCTION (DEVIATION NOV 2011) (MODIFIED 0121)

(a) General. It is the Department of Energy's (DOE)/National Nuclear Security Administration's (NNSA) intent to have its facilities and laboratories operated in an efficient and effective manner where improvement to process is emphasized in an on-going manner. To this end,

the Contractor shall assess its operations and identify areas where cost reductions would bring cost efficiency to operations without adversely affecting the level of performance required by the contract.

The Merger Transformation Plan (MTP) described in Section F, F-7(e), includes the Timeline of Projected Cost Savings. The Timeline of Projected Cost Savings will be the basis for the Cost Reduction Proposal (hereinafter referred to as the CRP) for the term of this Contract, and be subject to the requirements of this Clause. There is one CRP for all cost reductions under this Contract. The table below describes the relationship between the Approach, the Timeline, the MTP, the process and procedures, and the CRP.

Cost Reduction Process:

| Steps | Items | Details |
|---|---|---|
| Step 1 | Proposal: Approach and Timeline of Projected Cost Savings | Provided as part of the Contractor's proposal |
| Step 2 | Develop and submit MTP | High level includes approach and cost savings profile, due within 60 days (see F-7(e)). |
| Step 3 | Develop process and procedures for CRP | Will occur during transition term in accordance with this Clause. |
| Step 4 | Develop and submit CRP | Due in accordance with process and procedures (see Step 3). |
| Step 5 | Modify CRP | Throughout period of performance in accordance with process and procedures agreed upon in Step 3. |

(b) Definitions.

*Administrative cost* is the Contractor cost of developing the CRP.

*Development cost* is the Contractor cost of up-front planning, engineering, prototyping, and testing of a design, process, or method.

*DOE/NNSA cost* is the Government cost agreed to under the CRP as part of implementation.

*Implementation cost* is the Contractor cost such as tooling, facilities, documentation, products, etc., required to effect a design, process, or method change once it has been tested and approved, as well as relocation, training, severance, and any other costs that are required to effect the merger or continuous improvement activities. The Government will consider the allowability of implementation costs necessary to execute a CRP. The Government makes no commitment to fund implementation costs but will consider those within budget on the merits of the savings proposed. The Government's failure to provide funding for implementation will not entitle the Contractor to an equitable adjustment to proposed savings.

*Hard savings* means savings that directly reduce the overall cost of operations. Examples of

hard savings include:

i) Permanently eliminating or reducing recurring costs through innovative product designs, or process improvements including through merger activities;

ii) Supply chain management activities resulting in actual savings (as opposed to potential or sourcing savings);

iii) Integration of life cycle approaches for the design and development of systems that minimize costs (e.g. experimental, maintenance and operations);

iv) Reducing direct or indirect material or labor costs;

v) Reducing inventory levels of product or material, or reducing the cost of carrying the same levels;

vi) Reducing utility or natural resource consumptions; or

vii) Reducing or eliminating scrap material costs.

*Net savings* means the difference between hard savings and execution costs. Execution costs can include administrative costs, development costs, DOE/NNSA costs, and implementation costs associated with the CRP.

*Soft Savings* means:

i) savings that cannot be demonstrated to reduce the bottom line operating costs including, for example, labor efficiency improvements that increase productivity but do not reduce total hours worked;

ii) savings that are intangible and consequently difficult to measure, for example, a wellness plan that is intended to reduce absenteeism, turnover or insurance costs; or

iii) cost avoidances that cannot be demonstrated to lower cost of products/services based on a comparison against baseline, for example, slowing the rate of a cost increase.

(c) Consideration of Hard Savings. Proposed savings that will not be considered creditable by the Contracting Officer will include:

(1) Savings resulting from formal or informal NNSA direction or changes in mission, work scope (including Work for Others growth), or routine Contractor adjustments due to budget changes;

(2) Underruns resulting from anything other than a Contractor efficiency improvement, including but not limited to additional NNSA funding, shifting of work scope to a future fiscal year, (e.g. moving upgrade to facilities or infrastructure to out years with no evidence of savings or computer buys that are routinely purchased on a 3 year basis

are deferred for an additional two years) deferred maintenance, re-categorizing direct/indirect costs, or increases in the direct allocation bases;

(3) Site office initiatives, direction, work scope changes, mission changes, or reorganization, unless the Contractor can demonstrate a significant role in achieving savings resulting from the site office actions;

(4) Savings that have a negative impact on any existing Contract requirements such as scope, safety, or security;

(5) Savings resulting from shifting the employer paid portion of employee benefits costs to employees beyond current industry trends;

(6) Soft savings; and

(7) Savings that have been credited elsewhere under this contract.

(d) Process, procedures and requirements for CRP. Process and procedures, including modifications and disputes, for management of the CRP will be established by the Contracting Officer with Contractor input during the transition term with a goal for timely approval and validation of savings. The process and procedures will contain a change control process for the CRP.

The Contractor shall utilize an annual controlled baseline for all Contractor support costs and programs. CRP submitted by the Contractor shall contain, at a minimum, the following:

(1) Current Baseline-A verifiable description of the current scope of work, cost, and schedule to be affected by the CRP, and supporting documentation.

(2) Proposed Baseline-A verifiable description of the new scope of work, cost, and schedule, how the CRP will be accomplished and supporting documentation.

(3) Feasibility Assessment-A description and evaluation of the proposed initiative and benefits, risks, and impacts of implementation. This evaluation shall include an assessment of the difference between the current baseline and proposed baseline including all related costs.

Contractor institutional cost reporting and program cost data is a tool that will be used to measure savings in cost and associated resources. Cost data must be compatible with, and in a format, required by Section J, Appendix O, Program Management and Cost Reports.

(e) Evaluation and Decision. The CRP must be submitted to the Contracting Officer and those with proposed cost reductions above an agreed-upon dollar-threshold will require pre-approval by the Contracting Officer. NNSA encourages the Contractor to perform work consistent with commercial and industry best practices. For NNSA to accept and support the Contractor's successful implementation of the CRP there should be a discussion included in

the information provided by the CRP to the extent the proposed cost reduction effort may—

(1) Pose a risk to the mission, security, health and safety of workers, the community, and the environment;

(2) Require a waiver or deviation from DOE requirements, such as DOE Orders and joint oversight agreements;

(3) Require a change in other contractual agreements;

(4) Result in significant organizational or personnel impacts;

(5) Create a negative impact on the cost, schedule, or scope of work in another area;

(6) Pose a potential negative impact on the credibility of the Contractor or the DOE;

(7) Impact successful and timely completion of any of the work in the cost, technical, and schedule baseline; and

(8) Significantly impact internal controls.

(f) Acceptance or Rejection of the CRP. Acceptance or rejection of the CRP, or modification thereto, is a determination made by the Contracting Officer based on but not limited to the evaluation criteria established in paragraph (c) and (e). The failure of the Contracting Officer to notify the Contractor of the acceptance or rejection of the CRP, or any modification, shall not be construed as approval.

(g) Sharing Arrangement. If the CRP is accepted, the Contractor may share in the shared net savings. The sharing arrangement shall be as follows:

(1) For savings proposed in conjunction with the Merger Transformation Plan, the sharing arrangement shall be as follows:

(i) 50 / 35 %* of the net savings shall be the Government's share in savings,

(ii) 0 / 35 %* of the net savings shall be share in savings fee payable to the Contractor,

(iii) As negotiated in the approved CRP, 50 /30 %* of the shared savings shall remain under this Contract for the following contract activities consistent with the other terms and conditions of this contract:

(A) Implementation cost for future cost savings initiatives.

(B) Program, project, or indirect cost activities to finance additional mission work that has been approved by the HQ office;

(C) Projects that serve the M&O site as a whole, such as a parking structure, an office

building or building a cafeteria that doesn't serve a discrete program and could be built with institutional general plant project funds;

(D) Employee compensation for non-key personnel in accordance with Appendix I. For the purposes of this clause, "employee compensation" means a one–time non- base lump sum payment which does not count towards the employee's pensionable earnings.

(iv) The savings period will be 2 years.

*The first number is the percentage that applies to benefit savings and second number is the percentage that applies to all other savings.

(2) Modifications to the CRP that increase the savings will include the specific percentage and sharing period, which will be negotiated and set forth in the approved CRP. Share in savings > 40% and/or a share period > 2 years will be considered and may be approved by the Contracting Officer if it is advantageous to the Government (e.g., because it results in greater savings).

(h) Validation of Net Savings. The Contractor shall certify the amount of savings achieved and sustained from previous period(s) under the sharing arrangement identified in (g). Fee will be paid after Contracting Officer validation from the annual or semi-annual period achieving sustainment through the remainder of the sharing period. An external, third-party validation may be utilized by the Contracting Officer. The validation recommendations provided by the third-party would be advisory in nature to both the Contractor and NNSA. The Government's validation of cost savings will ensure NNSA mission deliverables (quality or timeliness) were not negatively impacted. (Para. Replaced0121)

(i) Relationship to Other Incentives. Only those benefits of an accepted CRP not awardable under other clauses of this contract shall be considered under this clause.

(j) Subcontracts. The Contractor may include a clause similar to this clause in any subcontract. In calculating any estimated shared net savings in the CRP under this contract, the Contractor's administration, development, and implementation costs shall include any subcontractor's allowable costs, and any CRP incentive payments to a subcontractor resulting from the acceptance of such CRP. The Contractor may choose any arrangement for subcontractor CRP incentive payments, provided that the payments not reduce the DOE's share of shared net savings.

## I-20 DEAR 970.5227-2 RIGHTS IN DATA-TECHNOLOGY TRANSFER (DEC 2000) ALTERNATE I (DEC 2000) (NNSA CLASS DEVIATION OCT 2011)

(a) Definitions.

(1) Computer data bases, as used in this clause, means a collection of data in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer. The term does not include computer software.

(2) Computer software, as used in this clause, means (i) computer programs which are data comprising a series of instructions, rules, routines, or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations and (ii) data comprising source code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the computer program to be produced, created, or compiled. The term does not include computer data bases.

(3) Data, as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term "data" does not include data incidental to the administration of this contract, such as financial, administrative, cost and pricing, or management information.

(4) Limited rights data, as used in this clause, means data, other than computer software, developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged. The Government's rights to use, duplicate, or disclose limited rights data are as set forth in the Limited Rights Notice of paragraph (*h*) of this clause.

(5) Restricted computer software, as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software, including minor modifications of any such computer software. The Government's rights to use, duplicate, or disclose restricted computer software are as set forth in the Restricted Rights Notice of subparagraph (*i*) of this clause.

(6) Technical data, as used in this clause, means recorded data, regardless of form or characteristic, that are of a scientific or technical nature. Technical data does not include computer software, but does include manuals and instructional materials and technical data formatted as a computer data base.

(7) Unlimited rights, as used in this clause, means the rights of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, including by electronic means, and perform publicly and display publicly, in any manner, including by electronic means, and for any purpose whatsoever, and to have or permit others to do so.

*(8) Open Source Software, as used in this clause, means computer software that is distributed under a license in which the user is granted the right to use, copy, modify, prepare derivative works and distribute, in source code or other format, the software, in original or modified form and derivative works thereof, without having to make royalty payments. The Contractor's right to distribute computer software first produced*

*in the performance of this Contract as Open Source Software is as set forth in paragraph (f).*

*(9) Patent Counsel means the National Nuclear Security Administration (NNSA) Patent Counsel assisting the DOE/NNSA contracting activity.*

(b) Allocation of Rights.

*(1) Except as may otherwise expressly provided or directed in writing by the Patent Counsel* the Government shall have:

(i) Ownership of all technical data and computer software first produced in the performance of this Contract;

(ii) Unlimited rights in technical data and computer software specifically used in the performance of this Contract, except as provided herein regarding copyright, limited rights data, or restricted computer software, and except for data subject to the withholding provisions for protected Cooperative Research and Development Agreement (CRADA) information in accordance with Technology Transfer actions under this Contract, or other data specifically protected by statute for a period of time or, where, approved by DOE*/NNSA*, appropriate instances of the DOE */NNSA* Work for Others Program;

(iii) The right to inspect technical data and computer software first produced or specifically used in the performance of this Contract at all reasonable times. The Contractor shall make available all necessary facilities to allow DOE*/NNSA* personnel to perform such inspection;

(iv) The right to have all technical data and computer software first produced or specifically used in the performance of this Contract delivered to the Government or otherwise disposed of by the Contractor, either as the contracting officer may from time to time direct during the progress of the work or in any event as the contracting officer shall direct upon completion or termination of this Contract. The Contractor agrees to leave a copy of such data at the facility or plant to which such data relate, and to make available for access or to deliver to the Government such data upon request by the contracting officer. If such data are limited rights data or restricted computer software. the rights of the Government in such data shall be governed solely by the provisions of paragraph (*h*) of this clause ("Rights in Limited Rights Data") or paragraph (*i*) of this clause ("Rights in Restricted Computer Software"); and

(v) The right to remove, cancel, correct, or ignore any markings not authorized by the terms of this Contract on any data furnished hereunder if, in response to a written inquiry by DOE*/NNSA* concerning the propriety of the markings, the Contractor fails to respond thereto within 60 days or fails to substantiate the propriety of the markings. In either case DOE*/NNSA* will notify the Contractor of the action taken.

(2) The Contractor shall have:

(i) The right to withhold limited rights data and restricted computer software unless otherwise provided in provisions of this clause;

(ii) The right to use for its private purposes, subject to patent, security or other provisions of this Contract, data it first produces in the performance of this Contract, except for data in DOE's Uranium Enrichment Technology, including diffusion, centrifuge, and atomic vapor laser isotope separation and except Restricted Data in category C-24, 10 CFR part 725, in which DOE has reserved the right to receive reasonable

compensation for the use of its inventions and discoveries, including related data and technology, provided the data requirements of this Contract have been met as of the date of the private use of such data; and

(iii) The right to assert copyright subsisting in scientific and technical articles as provided in paragraph (d) of this clause and the right to request permission to assert copyright subsisting in works other than scientific and technical articles as provided in paragraph (e) of this clause.

(3) The Contractor agrees that for limited rights data or restricted computer software or other technical business or financial data in the form of recorded information which it receives from, or is given access to by DOE*, NNSA* or a third party, including a DOE *or NNSA* contractor or subcontractor, and for technical data or computer software it first produces under this Contract which is authorized to be marked by DOE*/NNSA*, the Contractor shall treat such data in accordance with any restrictive legend contained thereon.

(c) Copyright (General).

(1) The Contractor agrees not to mark, register, or otherwise assert copyright in any data in a published or unpublished work, other than as set forth in paragraphs (d) and (e) of this clause.

(2) Except for material to which the Contractor has obtained the right to assert copyright in accordance with either paragraph (d) or (e) of this clause, the Contractor agrees not to include in the data delivered under this Contract any material copyrighted by the Contractor and not to knowingly include any material copyrighted by others without first granting or obtaining at no cost a license therein for the benefit of the Government of the same scope as set forth in paragraph (d) of this clause. If the Contractor believes that such copyrighted material for which the license cannot be obtained must be included in the data to be delivered, rather than merely incorporated therein by reference, the Contractor shall obtain the written authorization of the contracting officer to include such material in the data prior to its delivery.

(d) Copyrighted works (scientific and technical articles)

(1) The Contractor shall have the right to assert, without prior approval of the contracting officer, copyright subsisting in scientific and technical articles composed under this contract or based on or containing data first produced in the performance of this Contract, and published in academic, technical or professional journals, symposia, proceedings, or similar works. When assertion of copyright is made, the Contractor shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship (including contract number) on the data when such data are delivered to the Government as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. The Contractor grants to the Government, and others acting on its behalf, a nonexclusive, paid-up, irrevocable, world-wide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government.

(2) The contractor shall mark each scientific or technical article first produced or composed under this Contract and submitted for journal publication or similar means of

dissemination with a notice, similar in all material respects to the following, on the front reflecting the Government's non-exclusive, paid-up, irrevocable, world-wide license in the copyright.

Notice: This manuscript has been authored by [insert the name of the Contractor] under Contract No. [insert the contract number] with the U.S. Department of Energy/*National Nuclear Security Administration*. The United States Government retains and the publisher, by accepting the article for publication, acknowledges that the United States Government retains a non-exclusive, paid-up, irrevocable, world-wide license to publish or reproduce the published form of this manuscript, or allow others to do so, for United States Government purposes.

(End of Notice)

(3) The title to the copyright of the original of unclassified graduate theses and the original of related unclassified scientific papers shall vest in the author thereof, subject to the right of DOE *and NNSA* to retain duplicates of such documents and to use such documents for any purpose whatsoever without any claim on the part of the author or the contractor for additional compensation.

(e) Copyrighted works (other than scientific and technical articles and data produced under a CRADA). The Contractor may obtain permission to assert copyright subsisting in technical data and computer software first produced by the Contractor in performance of this Contract, where the Contractor can show that commercialization would be enhanced by such copyright protection, subject to the following:

(1) Contractor Request to Assert Copyright.

(i) For data other than scientific and technical articles and data produced under a CRADA, the Contractor shall submit in writing to Patent Counsel its request to

assert copyright in data first produced in the performance of this Contract pursuant to this clause. The right of the Contractor to copyright data first produced under a CRADA is as described in the individual CRADA. Each request by the Contractor must include:

(A) The identity of the data (including any computer program) for which the Contractor requests permission to assert copyright, as well as an abstract which is descriptive of the data and is suitable for dissemination purposes,

(B) The program under which it was funded,

(C) Whether, to the best knowledge of the Contractor, the data is subject to an international treaty or agreement,

(D) Whether the data is subject to export control,

(E) A statement that the Contractor plans to commercialize the data in compliance with the clause of this contract entitled, "Technology Transfer Mission," within five (5) years after obtaining permission to assert copyright or, on a case-by-case basis, a specified longer period where the Contractor can demonstrate that the ability to commercialize effectively is dependent upon such longer period, and

(F) For data other than computer software, a statement explaining why the assertion of copyright is necessary to enhance commercialization and is consistent with DOE's and NNSA's dissemination responsibilities.

(ii) For data that is developed using other funding sources in addition to DOE *or NNSA* funding, the permission to assert copyright in accordance with this clause must also be obtained by the Contractor from all other funding sources prior to the Contractor's request to Patent Counsel. The request shall include the Contractor's certification or other documentation acceptable to Patent Counsel demonstrating such permission has been obtained.

(iii) Permission for the Contractor to assert copyright in excepted categories of data as determined by DOE*/NNSA* will be expressly withheld. Such excepted categories include data whose release

(A) would be detrimental to national security, i.e., involve classified information or data or sensitive information under Section 148 of the Atomic Energy Act of 1954, as amended, or are subject to export control for nonproliferation and other nuclear-related national security purposes,

(B) would not enhance the appropriate transfer or dissemination and commercialization of such data,

(C) would have a negative impact on U.S. industrial competitiveness,

(D) would prevent DOE *or NNSA* from meeting its obligations under treaties and international agreements, or

(E) would be detrimental to one or more of DOE's *or NNSA's* programs. Additional excepted categories may be added by the Assistant General Counsel for Technology Transfer and Intellectual Property *and/or the NNSA Patent Counsel*. Where data are determined to be under export control restriction, the Contractor may obtain permission to assert copyright subject to the provisions of this clause for purposes of limited commercialization in a manner that complies with export control statutes and applicable regulations. In addition, notwithstanding any other provision of this Contract, all data developed with Naval Reactors' funding and those data that are classified fall within excepted categories. The rights of the Contractor in data are subject to the disposition of data rights in the treaties and international agreements identified under this Contract as well as those additional treaties and international agreements which DOE *or NNSA* may from time to time identify by unilateral amendment to the Contract; such amendment listing added treaties and international agreements is effective only for data which is developed after the date such treaty or international agreement is added to this Contract. Also, the Contractor will not be permitted to assert copyright in data in the form of various technical reports generated by the Contractor under the Contract without first obtaining the advanced written permission of the contracting officer.

(2) DOE*/NNSA* Review and Response to Contractor's Request. The Patent Counsel shall use its best efforts to respond in writing within 90 days of receipt of a complete request by the

Contractor to assert copyright in technical data and computer software pursuant to this clause. Such response shall either give or withhold DOE*/NNSA*'s permission for the Contractor to assert copyright or advise the Contractor that DOE*/NNSA* needs additional time to respond, and the reasons therefor.

(3) Permission for Contractor to Assert Copyright.

(i) For computer software, the Contractor shall furnish to the DOE designated, centralized software distribution and control point, the Energy Science and Technology Software Center, at the time permission to assert copyright is given under paragraph (e)(2) of this clause:

(A) An abstract describing the software suitable for publication,

(B) the source code for each software program, and

(C) the object code and at least the minimum support documentation needed by a technically competent user to understand and use the software.

The Patent Counsel, for good cause shown by the Contractor, may allow the

minimum support documentation to be delivered within 60 days after permission to assert copyright is given or at such time the minimum support documentation becomes available. The Contractor acknowledges that the DOE/*NNSA* designated software distribution and control point may provide a technical description of the software in an announcement identifying its availability from the copyright holder.

(ii) Unless otherwise directed by the contracting officer, for data other than computer software to which the Contractor has received permission to assert copyright under paragraph (e)(2) of this clause above, the Contractor shall within sixty (60) days of obtaining such permission furnish to DOE's Office of Scientific and Technical Information (OSTI) a copy of such data as well as an abstract of the data suitable for dissemination purposes. The Contractor acknowledges that OSTI may provide an abstract of the data in an announcement to DOE, *NNSA,* its contractors and to the public identifying its availability from the copyright holder.

(iii) For a five year period or such other specified period as specifically approved by Patent Counsel beginning on the date the Contractor is given permission to assert copyright in data, the Contractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works and perform publicly and display publicly, by or on behalf of the Government. Upon request, the initial period may be extended after DOE/*NNSA* approval. The DOE/*NNSA* approval will be based on the standard that the work is still commercially available and the market demand is being met.

(iv) After the period approved by Patent Counsel for application of the limited Government license described in paragraph (e)(3)(iii) of this clause, or if, prior to the end of such period(s), the Contractor abandons commercialization activities pertaining to the data to which the Contractor has been given permission to assert copyright, the Contractor grants to the Government, and others acting on its behalf, a

paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, distribute copies to the public, prepare derivative works, perform publicly and display publicly, and to permit others to do so.

(v) Whenever the Contractor asserts copyright in data pursuant to this paragraph (e), the Contractor shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 on the copyrighted data and also an acknowledgment of the Government sponsorship and license rights of paragraphs (e)(3) (iii) and (iv) of this clause. Such action shall be taken when the data are delivered to the Government, published, licensed or deposited for registration as a published work in the U.S. Copyright Office. The acknowledgment of Government sponsorship and license rights shall be as follows:

Notice: These data were produced by (insert name of Contractor) under Contract No. *(insert contract number)* with the Department of Energy/*National Nuclear*

*Security Administration*. For (period approved by *NNSA* Patent Counsel) from (date permission to assert copyright was obtained), the Government is granted for itself and others acting on its behalf a nonexclusive, paid-up, irrevocable worldwide license in this data to reproduce, prepare derivative works, and perform publicly and display publicly, by or on behalf of the Government. There is provision for the possible extension of the term of this license. Subsequent to that period or any extension granted, the Government is granted for itself and others acting on its behalf a nonexclusive, paid-up, irrevocable worldwide license in this data to reproduce, prepare derivative works, distribute copies to the public, perform publicly and display publicly, and to permit others to do so. The specific term of the license can be identified by inquiry made to Contractor or DOE*/NNSA*. Neither the United States nor the United States Department of Energy*/National Nuclear Security Administration*, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any data, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights.

(End of Notice)

(vi) With respect to any data to which the Contractor has received permission to assert copyright, the DOE*/NNSA* has the right, during the five (5) year or specified longer period approved by Patent Counsel as provided for in paragraph (e)*(3)(iii)* of this clause, to request the Contractor to grant a nonexclusive, partially exclusive or exclusive license in any field of use to a responsible applicant(s) upon terms that are reasonable under the circumstances, and if the Contractor refuses such request, to grant such license itself, if the DOE*/NNSA* determines that the Contractor has not made a satisfactory demonstration that either it or its licensee(s) is actively pursuing commercialization of the data as set forth in subparagraph (e)(1)(A) of this clause. Before licensing under this subparagraph (vi), DOE*/NNSA* shall furnish the Contractor a written request for the Contractor to grant the stated license, and the Contractor shall be allowed thirty (30) days (or such longer period as may be authorized by the contracting officer for good cause shown in writing by the Contractor) after such notice to show cause why the license should not be granted. The Contractor shall have the right to appeal the decision of the DOE*/NNSA* to grant the stated license to the Invention Licensing Appeal Board as set forth in 10 CFR
781.65 --"Appeals."

(vii) No costs shall be allowable for maintenance of copyrighted data, primarily for the benefit of the Contractor and/or a licensee which exceeds DOE *or NNSA* Program needs, except as expressly provided in writing by the contracting officer. The Contractor may use its net royalty income to effect such maintenance costs.

(viii) At any time the Contractor abandons commercialization activities for data for which the Contractor has received permission to assert copyright in accordance with this clause, it shall advise OSTI and Patent Counsel and upon request assign

the copyright to the Government so that the Government can distribute the data to the public.

(4) The following notice may be placed on computer software prior to any publication and prior to the Contractor's obtaining permission from the *DOE/NNSA* to assert copyright in the computer software pursuant to paragraph (c)(3) of this section.

Notice: This computer software was prepared by [insert the Contractor's name and the individual author], hereinafter the Contractor, under Contract [insert the Contract Number] with the Department of Energy*/National Nuclear Security Administration* (DOE*/NNSA*). All rights in the computer software are reserved by DOE*/NNSA* on behalf of the United States Government and the Contractor as provided in the Contract. You are authorized to use this computer software for Governmental purposes but it is not to be released or distributed to the public.
NEITHER THE GOVERNMENT NOR THE CONTRACTOR MAKES ANY WARRANTY, EXPRESS OR IMPLIED, OR ASSUMES ANY LIABILITY FOR THE USE OF THIS SOFTWARE. This notice including this sentence must appear on any copies of this computer software.

(End of Notice)

(5) A similar notice can be used for data, other than computer software, upon approval of Patent Counsel.

*(f) Open Source Software. The Contractor may release computer software first produced by the Contractor in the performance of this Contract under an open source software license. Such software shall hereinafter be referred to as Open Source Software or OSS, subject to the following:*

*(1) Obtain Program Approval.*

*(i) The Contractor shall ensure that the DOE or NNSA Program or Programs that have provided funding (Funding Source) to develop the software have approved the distribution of the software as OSS. The funding Program(s) may provide blanket approval for all software developed with funding from that Program. However, OSS release for any one such software shall be subject to approval by all other funding Programs which provide a substantial portion of the funds for the software, if any. If approval from the funding Program(s) is not practicable, Patent Counsel may provide approval instead. For software jointly developed under a CRADA or User Facility, or WFO, authorization from the CRADA Participant(s) or User Facility User(s), or WFO, as applicable, shall be additionally obtained for OSS release.*

*(ii) If the software is developed with funding from a federal government agency or agencies other than DOE or NNSA, then authorization from all the funding source(s) shall be obtained for OSS release, if practicable. Such federal government agency(ies) may provide blanket approval for all software developed*

*with funding from that agency. However, OSS release of any one of such software shall be subject to approval by all other funding sources for the software, if any. If majority approval from such federal government agency(s) is not practicable, Patent Counsel may provide approval instead.*

*(2) Assert Copyright in the OSS. Once the Contractor has obtained Funding Source approval in accordance with subparagraph (1) of this section, copyright in the software to be distributed as OSS, may be asserted by the Contractor, or, for OSS developed under a CRADA or User Facility, or WFO, either by the Contractor, CRADA Participant, or User FacilityUser, or WFO, as applicable, which precludes marking such OSS as Protected Information.*

*(3) Form DOE F 241.4 for OSS to ESTSC. The Contractor must submit the form DOE F 241.4 (or the current form as may be required by DOE or NNSA) to DOE's Energy Science and Technology Software Center (ESTSC) at the Office of Scientific and Technical Information (OSTI). The Contractor shall provide the unique URL on the form for ESTSC to distribute.*

*(4) OSS Record. The Contractor must maintain a record, available for inspection by DOE or NNSA, of software distributed as OSS. The record shall contain the following information: (i) name of the computer software (or other identifier), (ii) an abstract with description or purpose of the software, (iii) evidence of the funding Program's or source's approval, (iv) the planned or actual OSS location on the Contractor's webpage or other publicly available location (see subparagraph (5) below); (v) any names, logos or other identifying marks used in connection with the OSS, whether or not registered;*
*(vi) the type of OSS license used; and (vii) release version of the software for OSS containing derivative works. Upon request of Patent Counsel, the Contractor shall periodically provide Patent Counsel a copy of the record.*

*(5) Provide Public Access to the OSS. The Contractor shall ensure that the OSS is publicly accessible as an open source via the Contractor's website, Open Source Bulletin Boards operated by third parties, DOE, NNSA, or other industry standard means.*

*(6) Select an OSS License. Each OSS will be distributed pursuant to an OSS license. The Contractor may choose among industry standard OSS licenses or create its own set of Contractor standard licenses. To assist the Contractor, the DOE Assistant General Counsel for Technology Transfer and Intellectual Property and/or NNSA Patent Counsel may periodically issue guidance on OSS licenses. Each Contractor created OSS license, must contain, at a minimum, the following provisions:*

*(i) A disclaimer or equivalent that disclaims the Government's and Contractor's liability for licensees' and third parties' use of the software; and*

*(ii) A grant of permission for licensee to distribute OSS containing the licensee's derivative works subject to trademark restrictions (see subparagraph (10)*

*below). This provision might allow the licensee and third parties to commercialize their*

*derivative works or might request that the licensee's derivative works be forwarded to the Contractor for incorporation into future OSS versions.*

*(7) Collection of administrative costs is permissible. However, the Contractor may not collect a royalty or other fee in excess of a good faith amount for cost recovery from any licensee for the Contractor's OSS.*

*(8) Relationship to Other Required Clauses in the Contract. OSS distributed in accordance with this section shall not be subject to the requirements relating to indemnification of the Contractor or Federal Government, U.S. Competitiveness and U.S. Preference as set forth in paragraphs (g) and (h) of the clause within this contract entitled Technology Transfer Mission (DEAR 970.5227-3). The requirement for Contractor to request permission to assert copyright for the purpose of engaging in licensing software for royalties as set forth elsewhere in this clause is not modified by this section.*

*(9) Performance of Periodic Export Control Reviews by the Contractor. The Contractor is required to follow its Export Control review procedures before designating any software as OSS. If the Contractor is integrating the original OSS with other copyrightable works created by the Contractor or third parties, the Contractor may need to perform periodic export control reviews of the derivative versions.*

*(10) Determine if Trademark Protection for the OSS is Appropriate. DOE and NNSA Programs and Contractors have established trademarks on some of their computer software. Therefore, the Contractor should determine whether the OSS is already protected by use of an existing trademark. If the OSS is not so protected, then the Program or the Contractor may want to seek trademark protection. If the OSS is protected by a trademark, the OSS license should state that the derivative works of the licensee or other third party may not be distributed using the proprietary trademark without appropriate prior approval.*

*(11) Government License. For all OSS, the Contractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in data copyrighted in accordance with paragraph (f)(2) of this clause to reproduce, distribute copies to the public, prepare derivative works, perform publicly and display publicly, and to permit others to do so.*

*(12) Availability of Original OSS. The object code and source code of the original OSS developed by the Contractor shall be available to any third party who requests such from the Contractor for so long as such OSS is publicly available. If the Contractor ceases to make the software publicly available, then the Contractor shall submit to ESTSC the object code and source code of the latest version of the OSS developed by the Contractor in addition to a revised DOE F 241.4 form (which includes an abstract) and the Contractor shall direct any inquiries from third parties seeking to obtain the original OSS to ESTSC.*

(g) Subcontracting.

(1) Unless otherwise directed by the contracting officer, the Contractor agrees to use in subcontracts in which technical data or computer software is expected to be produced or in subcontracts for supplies that contain a requirement for production or delivery of data

in accordance with the policy and procedures of 48 CFR Subpart 27.4 as supplemented by 48 CFR 927.401 through 927.409, the clause entitled, "Rights in Data-General" at 48 CFR 52.227-14 modified in accordance with 927.409(a) and including Alternate V. Alternates II through IV of that clause may be included as appropriate with the prior approval of Patent Counsel, and the Contractor shall not acquire rights in a subcontractor's limited rights data or restricted computer software, except through the use of Alternates II or III, respectively, without the prior approval of Patent Counsel. The clause at 48 CFR 52.227-16, Additional Data Requirements, shall be included in subcontracts in accordance with 48 CFR 927.409(h). The Contractor shall use instead the Rights in Data-Facilities clause at 48 CFR 970.5227-1 in subcontracts, including subcontracts for related support services, involving the design or operation of any plants or facilities or specially designed equipment for such plants or facilities that are managed or operated under its contract with DOE*/NNSA*.

(2) It is the responsibility of the Contractor to obtain from its subcontractors technical data and computer software and rights therein, on behalf of the Government, necessary to fulfill the Contractor's obligations to the Government with respect to such data. In the event of refusal by a subcontractor to accept a clause affording the Government such rights, the Contractor shall:

(i) Promptly submit written notice to the contracting officer setting forth reasons or the subcontractor's refusal and other pertinent information which may expedite disposition of the matter, and

(ii) Not proceed with the subcontract without the written authorization of the contracting officer.

(3) Neither the Contractor nor higher-tier subcontractors shall use their power to award subcontracts as economic leverage to acquire rights in a subcontractor's limited rights data and restricted computer software for their private use.

(h) Rights in Limited Rights Data. Except as may be otherwise specified in this Contract as data which are not subject to this paragraph, the Contractor agrees to and does hereby grant to the Government an irrevocable nonexclusive, paid-up license by or for the Government, in any limited rights data of the Contractor specifically used in the performance of this Contract, provided, however, that to the extent that any limited rights data when furnished or delivered is specifically identified by the Contractor at the time of initial delivery to the Government or a representative of the Government, such data shall not be used within or outside the Government except as provided in the "Limited Rights Notice" set forth below. All such limited rights data shall be marked with the following "Limited Rights Notice:"

Limited Rights Notice

These data contain "limited rights data," furnished under Contract No. *(insert contract number)* with the United States Department of Energy/*National Nuclear Security Administration* which may be duplicated and used by the Government with the express limitations that the "limited rights data" may not be disclosed outside the Government or be used for purposes of manufacture without prior permission of the Contractor, except that further disclosure or use may be made solely for the following purposes:

(a) Use (except for manufacture) by support services contractors within the scope of their contracts;

(b) This "limited rights data" may be disclosed for evaluation purposes under the restriction that the "limited rights data" be retained in confidence and not be further disclosed;

(c) This "limited rights data" may be disclosed to other contractors participating in the Government's program of which this Contract is a part for information or use (except for manufacture) in connection with the work performed under their contracts and under the restriction that the "limited rights data" be retained in confidence and not be further disclosed;

(d) This "limited rights data" may be used by the Government or others on its behalf for emergency repair or overhaul work under the restriction that the "limited rights data" be retained in confidence and not be further disclosed; and

(e) Release to a foreign government, or instrumentality thereof, as the interests of the United States Government may require, for information or evaluation, or for emergency repair or overhaul work by such government.

This Notice shall be marked on any reproduction of this data in whole or in part.

(End of Notice)

(i) Rights in Restricted Computer Software.

(1) Except as may be otherwise specified in this Contract as data which are not subject to this paragraph, the Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, paid-up, license by or for the Government, in any restricted computer software of the Contractor specifically used in the performance of this Contract; provided, however, that to the extent that any restricted computer software when furnished or delivered is specifically identified by the Contractor at the time of initial delivery to the Government or a representative of the Government, such data shall not be used within or outside the Government except as provided in the "Restricted Rights Notice" set forth below. All such restricted computer software shall be marked with the following "Restricted Rights Notice:"

Restricted Rights Notice --Long Form

(a) This computer software is submitted with restricted rights under Department of Energy/*National Nuclear Security Administration* Contract No. *(insert contract number)*. It may not be used, reproduced, or disclosed by the Government except as provided in paragraph (b) of this notice.

(b) This computer software may be:

(1) Used or copied for use in or with the computer or computers for which it was acquired, including use at any Government installation to which such computer or computers may be transferred;

(2) Used, copied for use, in a backup or replacement computer if any computer for which it was acquired is inoperative or is replaced;

(3) Reproduced for safekeeping (archives) or backup purposes;

(4) Modified, adapted, or combined with other computer software, provided that only the portions of the derivative software consisting of the restricted computer software are to be made subject to the same restricted rights; and

(5) Disclosed to and reproduced for use by contractors under a service contract (of the type defined in 48 CFR 37.101) in accordance with subparagraphs (b)(1) through (4) of this Notice, provided the Government makes such disclosure or reproduction subject to these restricted rights.

(c) Notwithstanding the foregoing, if this computer software has been published under copyright, it is licensed to the Government, without disclosure prohibitions, with the rights set forth in the restricted rights notice above.

(d) This Notice shall be marked on any reproduction of this computer software, in whole or in part.

(End of Notice)

(2) Where it is impractical to include the Restricted Rights Notice on restricted computer software, the following short-form Notice may be used in lieu thereof:

Restricted Rights Notice --Short Form

Use, reproduction, or disclosure is subject to restrictions set forth in the Long Form Notice of DOE/*NNSA* Contract No. *(insert contract number)* with (name of Contractor).

(End of Notice)

(3) If the software is embedded, or if it is commercially impractical to mark it with human readable text, then the symbol R and the clause date (mo/yr) in brackets or a box, a [R- mo/yr], may be used. This will be read to mean restricted computer software, subject to the rights of the Government as described in the Long Form Notice, in effect as of the date indicated next to the symbol. The symbol shall not be used to mark human readable material. In the event this Contract contains any variation to the rights in the Long Form Notice, then the contract number must also be cited.

(4) If restricted computer software is delivered with the copyright notice of 17 U.S.C. 401, the software will be presumed to be published copyrighted computer software licensed to the Government without disclosure prohibitions and with unlimited rights, unless the Contractor includes the following statement with such copyright notice "Unpublished- rights reserved under the Copyright Laws of the United States."

(j) Relationship to patents. Nothing contained in this clause creates or is intended to imply a license to the Government in any patent or is intended to be construed as affecting the scope of any licenses or other rights otherwise granted to the Government under any patent.

## I-21 DEAR 970.5227-3 TECHNOLOGY TRANSFER MISSION (AUG 2002) ALTERNATE II (DEC 2000) (NNSA CLASS DEVIATION OCT 2011)

This clause has as its purpose implementation of the National Competitiveness Technology Transfer Act of 1989 (Sections 3131, 3132, 3133, and 3157 of Pub. L. 101-189 and as amended by Pub. L. 103-160, Sections 3134 and 3160). The Contractor shall conduct technology transfer activities with a purpose of providing benefit from Federal research to U.S. industrial competitiveness.

(a) Authority.

(1) In order to ensure the full use of the results of research and development efforts of, and the capabilities of, the Facilit*ies*, technology transfer, including Cooperative Research and Development Agreements (CRADAs), is established as a mission of the Facilit*ies* consistent with the policy, principles and purposes of Sections 11(a)(1) and 12(g) of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710a); Section 3132(b) of Pub. L. 101-189, Sections 3134 and 3160 of Pub. L. 103-160, and of Chapter 38 of the Patent Laws (35 U.S.C. 200 *et seq.*); Section 152 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2182); Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908); and Executive Order 12591 of April 10, 1987.

(2) In pursuing the technology transfer mission, the Contractor is authorized to conduct activities including but not limited to: identifying and protecting Intellectual Property made, created or acquired at or by the Facilit*ies*; negotiating licensing agreements and assignments for Intellectual Property made, created or acquired at or by the Facilit*ies*

that the Contractor controls or owns; bailments; negotiating all aspects of and entering into CRADAs; providing technical consulting and personnel exchanges; conducting science education activities and reimbursable Work for Others (WFO); providing information exchanges; and making available laboratory or weapon production user facilities. It is fully expected that the Contractor shall use all of the mechanisms available to it to accomplish this technology transfer mission, including, but not limited to, CRADAs, user facilities, WFO, science education activities, consulting, personnel *exchanges*, assignments, and licensing in accordance with this clause.

*(3) Nothing in this, or any other section of this contract provides the Contractor with any property right, including the right to license, in data first produced in the performance of this contract, except as expressly provided in the contract or approved in writing by the Contracting Officer.*

(b) Definitions.

(1) Contractor's Facili*ties* Director means the individual who has supervision over all or substantially all of the Contractor's operations at the *f*acili*ties*.

(2) Intellectual Property means patents, trademarks, copyrights, mask works, protected CRADA information, and other forms of comparable property rights protected by Federal Law and other foreign counterparts.

(3) Cooperative Research and Development Agreement (CRADA) means any agreement entered into between the Contractor as operator of the Facili*ties*, and one or more parties including at least one non-Federal party under which the Government, through its Facili*ties*, provides personnel, services, facilities, equipment, intellectual property, or other resources with or without reimbursement (but not funds to non-Federal parties) and the non-Federal parties provide funds, personnel, services, facilities, equipment, intellectual property, or other resources toward the conduct of specified research or development efforts which are consistent with the missions of the Facili*ties*; except that such term does not include a procurement contract, grant, or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of Title 31 of the United States Code.

(4) Joint Work Statement (JWS) means a proposal for a CRADA prepared by the Contractor, signed by the Contractor's *F*acili*ties* Director or designee which describes the following:

(i) Purpose;

(ii) Scope of Work which delineates the rights and responsibilities of the Government, the Contractor and Third Parties, one of which must be a non-Federal party;

(iii) Schedule for the work; and

(iv) Cost and resource contributions of the parties associated with the work and

the schedule.

(5) Assignment means any agreement by which the Contractor transfers ownership of Facilit*ies'* Intellectual Property, subject to the Government's retained rights.

(6) Facilit*ies'* Biological Materials means biological materials capable of replication or reproduction, such as plasmids, deoxyribonucleic acid molecules, ribonucleic acid molecules, living organisms of any sort and their progeny, including viruses, prokaryote and eukaryote cell lines, transgenic plants and animals, and any derivatives or modifications thereof or products produced through their use or associated biological products, made under this contract by Facilit*ies'* employees or through the use of *F*acilities*' research resources*.

(7) *F*acilit*ies'* Tangible Research Product means tangible material results of research which

(i) Are provided to permit replication, reproduction, evaluation or confirmation of the research effort, or to evaluate its potential commercial utility;

(ii) Are not materials generally commercially available; and

(iii) Were made under this contract by *F*acilit*ies'* employees or through the use of *F*acilities*' research resources*.

(8) Bailment means any agreement in which the Contractor permits the commercial or non- commercial transfer of custody, access or use of *F*acilit*ies'* Biological Materials or *F*acilit*ies'* Tangible Research Product for a specified purpose of technology transfer or research and development, including without limitation evaluation, and without transferring ownership to the bailee.

*(9) Privately funded technology transfer means the prosecuting, maintaining, licensing, and marketing of inventions which are not owned by the Government (and not related to CRADAs) when such activities are conducted entirely without the use of Government funds.*

(c) Allowable Costs.

(1) The Contractor shall establish and carry out its technology transfer efforts through appropriate organizational elements consistent with the requirements for an Office of Research and Technology Applications (ORTA) pursuant to paragraphs (b) and (c) of Section 11 of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710). The costs associated with the conduct of technology transfer through the ORTA including activities associated with obtaining, maintaining, licensing, and assigning Intellectual Property rights, increasing the potential for the transfer of technology, and the widespread notice of technology transfer opportunities, shall be deemed allowable provided that such costs meet the other requirements of the

allowable costs provisions of this Contract. In addition to any separately designated funds, these costs in any fiscal year shall not exceed an amount equal to 0.5 percent of the operating funds included in the Federal research and development budget (including Work For Others) of the Facilit*ies* for that fiscal year without written approval of the contracting officer.

(2) The Contractor's participation in litigation to enforce or defend Intellectual Property claims incurred in its technology transfer efforts shall be as provided in the clause entitled "Insurance -- Litigation and Claims" of this contract.

(d) Conflicts of Interest -- Technology Transfer. The Contractor shall have implementing procedures that seek to avoid employee and organizational conflicts of interest, or the appearance of conflicts of interest, in the conduct of its technology transfer activities. These procedures shall apply to all persons participating in *the F*acilit*ies* research or related technology transfer activities. Such implementing procedures shall be provided to the contracting officer for review and approval within sixty (60) days after execution of this contract. The contracting officer shall have thirty (30) days thereafter to approve or require specific changes to such procedures. Such implementing procedures shall include procedures to:

(1) Inform employees of and require conformance with standards of conduct and integrity in connection with *research involving nonfederal sponsors and for* CRADA activity in accordance with the provisions of paragraph (n)(5) of this clause;

(2) Review and approve employee activities so as to avoid conflicts of interest arising from commercial utilization activities relating to Contractor-developed Intellectual Property;

(3) Conduct work performed using royalties so as to avoid interference with or adverse effects on ongoing DOE *and NNSA* projects and programs;

(4) Conduct activities relating to commercial utilization of Contractor-developed Intellectual Property so as to avoid interference with or adverse effects on user facility or WFO activities of the Contractor;

(5) Conduct DOE- *and NNSA*-funded projects and programs so as to avoid the appearance of conflicts of interest or actual conflicts of interest with non-Government funded work;

(6) Notify the contracting officer with respect to any new work to be performed or proposed to be performed under the Contract for DOE *or NNSA* or other Federal agencies where the new work or proposal involves Intellectual Property in which the Contractor has obtained or intends to request or elect title;

(7) Except as provided elsewhere in this Contract, obtain the approval of the contracting officer for any licensing of or assignment of title to Intellectual Property rights by the Contractor to any business or corporate affiliate of the

Contractor;

(8) Obtain the approval of the contracting officer prior to any assignment, exclusive licensing, or option for exclusive licensing, of Intellectual Property to any individual who has been a Facilit*ies* employee within the previous two years or to the company in which the individual is a principal;

*(9)* Notify non-Federal sponsors of WFO activities, or non-Federal users of user facilities, of any relevant Intellectual Property interest of the Contractor prior to execution of WFOs or user agreements; *and*

(10) Notify *NNSA* prior to *the Contractor's acting in an advisory role for evaluation of a technical proposal for funding by a third party or a DOE or NNSA Program*, when the subject matter of the proposal involves an elected or waived subject invention under this contract or one in which the Contractor intends to elect to retain title under this contract.

(e) Fairness of Opportunity. In conducting its technology transfer activities, the Contractor shall prepare procedures and take all reasonable measures to ensure widespread notice of availability of technologies suited for transfer and opportunities for exclusive licensing and joint research arrangements. The requirement to widely disseminate the availability of technology transfer opportunities does not apply to a specific application originated outside of the Facilit*ies* and by entities other than the Contractor.

(f) U.S. Industrial Competitiveness.

(1) In the interest of enhancing U.S. Industrial Competitiveness in its licensing and assignments of Intellectual Property, *the Contractor shall* give preference in such a manner as to enhance the accrual of economic and technological benefits to the U.S. domestic economy. The Contractor shall consider the following factors in all of its *decisions involving* licensing *or* assignment *of* Facilit*ies'* intellectual property where the *Contractor* obtains rights during the course of the Contractor's operation of the Facilit*ies* under this contract:

(i) whether any resulting design and development will be performed in the United States and whether resulting products, embodying parts, including components thereof, will be substantially manufactured in the United States; or

(ii) (A) whether a proposed licensee or an assignee has a business unit located in the United States and whether significant economic and technical benefits will flow to the United States as a result of the license or assignment agreement; and

*(B)* in licensing *or assigning* any entity subject to the control of a foreign company or government, whether such foreign government permits United States agencies, organizations or other persons to enter into cooperative research and development agreements and licensing agreements, and has policies to protect United States Intellectual Property rights; *and*

*(C) if the proposed licensee, assignee, or parent of either type of entity is subject to the control of a foreign company or government, the Contractor, with the assistance of the Contracting Officer, in considering the factors set forth in paragraph (B) herein, may rely upon the following information; (1) U.S. Trade Representative Inventory of Foreign Trade Barriers, (2) U.S. Trade Representative Special 301 Report, and, (3) such other relevant information available to the contracting officer. The Contractor should review the U.S. Trade Representative web site at: <http://www.ustr.gov> for the most current versions of these reports and other relevant information. The Contractor is encouraged to utilize other available resources, as necessary, to allow for a complete and informed decision.*

(2) If the Contractor determines that neither of the conditions in paragraphs (f)(1)(i) or (ii) of this clause is likely to be fulfilled, the Contractor, prior to entering into such an agreement, must obtain the approval of the contracting officer. The contracting officer shall act on any such requests for approval within thirty (30) days.

(3) The Contractor agrees to be bound by the provisions of 35 U.S.C. 204 (Preference for United States industry).

(g) Indemnity -- Product Liability. In entering into written technology transfer agreements, including but not limited to, research and development agreements, licenses, assignments and CRADAs, the Contractor agrees to include in such agreements a requirement that the U.S. Government and the Contractor, except for any negligent acts or omissions of the Contractor, be indemnified for all damages, costs, and expenses, including attorneys' fees, arising from personal injury or property damage occurring as a result of the making, using or selling of a product, process or service by or on behalf of the Participant, its assignees or licensees which was derived from the work performed under the agreement. The Contractor shall identify and obtain the approval of the contracting officer for any proposed exceptions to this requirement such as where State or local law expressly prohibit the Participant from providing indemnification or where the research results will be placed in the public domain.

(h) Disposition of Income.

(1) Royalties or other income earned or retained by the Contractor as a result of performance of authorized technology transfer activities herein shall be used by the Contractor for scientific research, development, technology transfer, and education at the Facilit*ies*, consistent with the research and development mission and objectives of the Facilit*ies* and subject to Section 12(b)(5) of the Stevenson-Wydler Technology Innovation Act of 1980,as amended (15 U.S.C. 3710a(b)(5)) and Chapter 38 of the Patent Laws (35 U.S.C. 200 et seq.) as amended through the effective date of this contract award or modification. If the net amounts of such royalties and income received from patent licensing after payment of patenting costs, licensing costs, payments to inventors and other expenses incidental to the administration of Subject Inventions during any fiscal year exceed 5 percent of the Facilit*ies'* budget for that fiscal year, 75 percent of such excess amounts shall be paid to the Treasury of the United States, and the remaining amount of such excess shall be used by the Contractor for the purposes as described above in this paragraph. Any inventions arising

out of such scientific research and development activities shall be deemed to be Subject Inventions under the Contract.

(2) The Contractor shall include as a part of its annual Facilit*ies* Institutional Plan or other such annual document a plan setting out those uses to which royalties and other income received as a result of performance of authorized technology transfer activities herein will be applied at the Facilit*ies*, and at the end of the year, provide a separate accounting for how the funds were actually used. Under no circumstances shall these royalties and income be used for an illegal augmentation of funds furnished by the U.S. Government.

*(3)* The Contractor shall *notify* the *C*ontracting *O*fficer *of any changes to its policy* for making awards or sharing of royalties with Contractor employees, other coinventors and coauthors, including Federal employee coinventors when deemed appropriate by the contracting officer. *Such changes shall be subject to the approval of the Contracting Officer.*

(i) Transfer to Successor Contractor. In the event of termination or upon the expiration of this Contract, any unexpended balance of income received for use at the Facilit*ies* shall be transferred, at the contracting officer's request, to a successor contractor, or in the absence of a successor contractor, to such other entity as designated by the contracting officer. The Contractor shall transfer title, as one package, to the extent the Contractor retains title, in all patents and patent applications, licenses, accounts containing royalty revenues from such license agreements, including equity positions in third party entities, and other Intellectual Property rights which arose at the Facilit*ies*, to the successor contractor or to the Government as directed by the contracting officer.

(j) Technology Transfer Affecting the National Security.

(1) The Contractor shall notify and obtain the approval of the contracting officer, prior to entering into any technology transfer arrangement, when such technology or any part of such technology is classified or sensitive under Section 148 of the Atomic Energy Act (42 U.S.C. 2168). Such notification shall include sufficient information to enable *NNSA* to determine the extent that commercialization of such technology would enhance or diminish security interests of the United States, or diminish communications within DOE*/NNSA*'s nuclear weapon production complex. *NNSA* shall use its best efforts to complete its determination within sixty (60) days of the Contractor's notification, and provision of any supporting information, and *NNSA* shall promptly notify the Contractor as to whether the technology is transferable.

(2) The Contractor shall include in all of its technology transfer agreements with third parties, including, but not limited to, CRADAs, licensing agreements and assignments, notice to such third parties that the export of goods and/or Technical Data from the United States may require some form of export control license or other authority from the
U.S. Government and that failure to obtain such export control license may result in criminal liability under U.S. laws.

(3) For other than fundamental research as defined in National Security Decision Directive 189, the Contractor is responsible to conduct internal export control reviews and assure that technology is transferred in accordance with applicable law.

(k) Records. The Contractor shall maintain records of its technology transfer activities in a manner and to the extent satisfactory to the DOE/*NNSA* and specifically including, but not limited to, the licensing agreements, assignments and the records required to implement the requirements of paragraphs (e), (f), and (h) of this clause and shall provide reports to the contracting officer to enable DOE/*NNSA* to maintain the reporting requirements of Section 12(c)(6) of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710a(c)(6)). Such reports shall be made annually in a format to be agreed upon between the Contractor and DOE/*NNSA* and in such a format which will serve to adequately inform DOE/*NNSA* of the Contractor's technology transfer activities while protecting any data not subject to disclosure under the Rights in Technical Data clause and paragraph (n) of this clause. Such records shall be made available in accordance with the clauses of this Contract pertaining to inspection, audit and examination of records.

(l) Reports to Congress. To facilitate DOE/*NNSA*'s reporting to Congress, the Contractor is required to submit annually to DOE/*NNSA* a technology transfer plan for conducting its technology transfer function for the upcoming year, including plans for securing Intellectual Property rights in Facilit*ies* innovations with commercial promise and plans for managing such innovations so as to benefit the competitiveness of United States industry. This plan shall be provided to the contracting officer on or before October 1st of each year.

(m) Oversight and Appraisal. The Contractor is responsible for developing and implementing effective internal controls for all technology transfer activities consistent with the audit and record requirements of this Contract. Facilit*ies* Contractor performance in implementing the technology transfer mission and the effectiveness of the Contractor's procedures will be evaluated by the contracting officer as part of the annual appraisal process, with input from the cognizant Secretarial Officer or program office.

*(n)* Technology Transfer through Cooperative Research and Development Agreements. Upon approval of the contracting officer and as provided in a *NNSA*-approved Joint Work Statement (JWS), the Facilit*ies* Director, or designee, may enter into CRADAs on behalf of the DOE/*NNSA* subject to the requirements set forth in this paragraph. *Also, under such circumstances as DOE or NNSA considers appropriate, the DOE or NNSA may waive the following requirements associated with the submission and approval of JWS and CRADA agreements, as legislated by the 2001 National Defense Authorization Act.*

(1) Review and Approval of CRADAs.

(i) Except as otherwise directed in writing by the contracting officer, each JWS shall be submitted to the contracting officer for approval. The Contractor's Facilit*ies* Director or designee shall provide a program mission impact statement and shall include an impact statement regarding related Intellectual Property rights known by the Contractor to be owned by the Government to assist the contracting officer in the approval determination.

(ii) The Contractor shall also include (specific to the proposed CRADA), a statement of compliance with the Fairness of Opportunity requirements of paragraph (e) of this clause.

(iii) Within thirty (30) days after submission of a JWS or proposed CRADA, the contracting officer shall approve, disapprove or request modification to the JWS or CRADA. The contracting officer shall provide a written explanation to the Contractor's Facilit*ies* Director or designee of any disapproval or requirement for modification of a JWS or proposed CRADA.

(iv) Except as otherwise directed in writing by the contracting officer, the Contractor shall not enter into, or begin work under, a CRADA until approval of the CRADA has been granted by the contracting officer. The Contractor may submit its proposed CRADA to the contracting officer at the time of submitting its proposed JWS or any time thereafter.

(2) Selection of Participants. The Contractor's Facilit*ies* Director or designee in deciding what CRADA to enter into shall:

(i) Give special consideration to small business firms, and consortia involving small business firms;

(ii) Give preference to business units located in the United States which agree that products or processes embodying Intellectual Property will be substantially manufactured or practiced in the United States and, in the case of any industrial organization or other person subject to the control of a foreign company or government, take into consideration whether or not such foreign government permits United States agencies, organizations, or other persons to enter into cooperative research and development agreements and licensing agreements;

(iii) Provide Fairness of Opportunity in accordance with the requirements of paragraph (e) of this clause; and

(iv) Give consideration to the Conflicts of Interest requirements of paragraph (d) of this clause.

(3) Withholding of Data.

(i) Data that is first produced as a result of research and development activities conducted under a CRADA and that would be a trade secret or commercial or financial data that would be privileged or confidential, if such data had been obtained from a non-Federal third party, may be protected from disclosure under the Freedom of Information Act as provided in the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710a(c)(7)) for a period as agreed in the CRADA of up to five (5) years from the time the data is first produced. The DOE/*NNSA* shall cooperate with the Contractor in protecting such data.

(ii) Unless otherwise expressly approved by the contracting officer in advance for a specific CRADA, the Contractor agrees, at the request of the contracting officer, to transmit such data to other DOE *or NNSA* facilities for use by DOE*/NNSA* or its Contractors by or on behalf of the Government. When data protected pursuant to paragraph (n)(3)(i) of this clause is so transferred, the Contractor shall clearly mark the data with a legend setting out the restrictions against private use and further dissemination, along with the expiration date of such restrictions.

(iii) In addition to its authority to license Intellectual Property, the Contractor may enter into licensing agreements with third parties for data developed by the Contractor under a CRADA subject to other provisions of this Contract. However, the Contractor shall neither use the protection against dissemination nor the licensing of data as an alternative to the submittal of invention disclosures which include data protected pursuant to paragraph (n)(3)(i) of this clause.

(4) Work for Others and User Facility Programs.

(i) Work for Others (WFO) and User Facility Agreements (UFAs) *are* available for use by the Contractor in addition to CRADAs for achieving utilization of employee expertise and unique facilities for maximizing technology transfer. The Contractor agrees to inform prospective CRADA participants, who are intending to substantially pay full cost recovery for the effort under a proposed CRADA, of the availability of alternative forms of agreements, i.e., WFO and UFA, and of the Class Patent Waiver provisions associated therewith*, when conditions associated with the activity under the agreement can appropriately be performed under such alternative agreement(s)*.

(ii) Where the Contractor believes that the transfer of technology to the U.S. domestic economy will benefit from, or other equity considerations dictate, an arrangement other than the Class Waiver of patent rights to the sponsor in WFO and UFAs, a request may be made to the contracting officer for an exception to the Class Waivers.

(iii) Rights to inventions made under agreements other than funding agreements with third parties shall be governed by the appropriate provisions incorporated, with DOE*/NNSA* approval, in such agreements, and the provisions in such agreements take precedence over any disposition of rights contained in this Contract. Disposition of rights under any such agreement shall be in accordance with any DOE*/NNSA* class waiver (including Work for Others and User Class Waivers) or individually negotiated waiver that applies to the agreement.

(5) Conflicts of Interest.

(i) Except as provided in paragraph (n)(5)(iii) of this clause, the Contractor shall assure that no employee of the Contractor shall have a substantial role (including an advisory role) in the preparation, negotiation, or approval of a CRADA, if, to such employee's knowledge:

(A) Such employee, or the spouse, child, parent, sibling, or partner of such employee, or an organization (other than the Contractor) in which such employee serves as an officer, director, trustee, partner, or employee –

(1) holds financial interest in any entity, other than the Contractor, that has a substantial interest in the preparation, negotiation, or approval of the CRADA;

(2) receives a gift or gratuity from any entity, other than the Contractor, that has a substantial interest in the preparation, negotiation, or approval of the CRADA; or

(B) A financial interest in any entity, other than the Contractor, that has a substantial interest in the preparation, negotiation, or approval of the CRADA, is held by any person or organization with whom such employee is negotiating or has any arrangement concerning prospective employment.

(ii) The Contractor shall require that each employee of the Contractor who has a substantial role (including an advisory role) in the preparation, negotiation, or approval of a CRADA certify through the Contractor to the contracting officer that the circumstances described in paragraph (n)(5)(i) of this clause do not apply to that employee.

(iii) The requirements of paragraphs (n)(5)(i) and (n)(5)(ii) of this clause shall not apply in a case where the contracting officer is advised by the Contractor in advance of the participation of an employee described in those paragraphs in the preparation, negotiation or approval of a CRADA of the nature of and extent of any financial interest described in paragraph (n)(5)(i) of this clause, and the contracting officer determines that such financial interest is not so substantial as to be considered likely to affect the integrity of the Contractor employee's participation in the process of preparing, negotiating, or approving the CRADA.

(o) Technology Transfer in Other Cost-Sharing Agreements. In conducting research and development activities in cost-shared agreements not covered by paragraph (n) of this clause, the Contractor, with prior written permission of the contracting officer, may provide for the withholding of data produced thereunder in accordance with the applicable provisions of paragraph (n)(3) of this clause.

(p) Technology Partnership Ombudsman.

(1) The Contractor agrees to establish a position to be known as "Technology Partnership Ombudsman," to help resolve complaints from outside organizations regarding the policies and actions of the contractor with respect to technology partnerships (including CRADAs), patents owned by the contractor for inventions made at the Facilit*ies*, and technology licensing.

(2) The Ombudsman shall be a senior official of the Contractor's Facilit*ies* staff, who is

not involved in day-to-day technology partnerships, patents or technology licensing, or, if appointed from outside the Facilit*ies*, shall function as such senior official.

(3) The duties of the Technology Partnership Ombudsman shall include:

(i) Serving as the focal point for assisting the public and industry in resolving complaints and disputes with the Facilit*ies* regarding technology partnerships, patents, and technology licensing;

(ii) Promoting the use of collaborative alternative dispute resolution techniques such as mediation to facilitate the speedy and low cost resolution of complaints and disputes, when appropriate; and

(iii) Submitting a quarterly report, in a format provided by DOE *and NNSA*, to the Secretary of Energy, the Administrator for Nuclear Security, the Director of the DOE Office of Dispute Resolution, and the Contracting Officer concerning the number and nature of complaints and disputes raised, along with the Ombudsman's assessment of their resolution, consistent with the protection of confidential and sensitive information.

*(q)* Inapplicability of Provisions to Privately Funded Technology Transfer Activities. Nothing in paragraphs (c) Allowable Costs, (e) Fairness of Opportunity, (f) U.S. Industrial Competitiveness, (g) Indemnity -- Product Liability, (h) Disposition of Income, and (i) Transfer to Successor Contractor of this clause are intended to apply to the contractor's privately funded technology transfer activities if such privately funded activities are addressed elsewhere in the contract.

## I-22 DEAR 970.5227-12 PATENT RIGHTS-MANAGEMENT AND OPERATING CONTRACTS, FOR PROFIT CONTRACTOR, ADVANCE CLASS WAIVER (AUG 2002) ALTERNATE I (DEVIATION JAN 2022) (REPLACED 0291)

(a) Definitions.

(1) DOE licensing regulations means the Department of Energy patent licensing regulations at 10 CFR Part 781.

(2) DOE patent waiver regulations means the Department of Energy patent waiver regulations at 10 CFR Part 784.

(3) Exceptional Circumstance Subject Invention means any subject invention in a technical field or related to a task determined by the Department of Energy to be subject to an exceptional circumstance under *35 U.S.C. 202*(a)(ii), and in accordance with 37 CFR 401.3(e).

(4) Invention means any invention or discovery which is or may be patentable or otherwise protectable under title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act *(7 U.S.C. 2321,* et seq.).

(5) Made, when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

(6) Patent Counsel means *the National Nuclear Security Administration (NNSA)* Patent Counsel assisting the contracting activity.

(7) Practical application means to manufacture, in the case of a composition or product; to practice, in the case of a process or method; or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(8) Subject Invention means any invention of the contractor conceived or first actually reduced to practice in the course of or under this contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, *7 U.S.C. 2401*(d)) shall also occur during the period of contract performance.

(9) Weapons-Related Subject Invention means any subject invention conceived or first actually reduced to practice in the course of or under work funded by or through defense programs, including Department of Defense and intelligence reimbursable work, or the Naval Nuclear Propulsion Program of the Department of Energy or the National Nuclear Security Administration.

(b) Allocation of Principal Rights.

(1) Assignment to the Government. Except to the extent that rights are retained by the Contractor by the granting of an advance class waiver pursuant to subparagraph (b)(2) of this clause or a determination of greater rights pursuant to subparagraph (b)(7) of this clause, the Contractor agrees to assign to the Government the entire right, title, and interest throughout the world in and to each subject invention.

(2) Advance class waiver of Government rights to the Contractor. DOE may grant to the Contractor an advance class waiver of Government rights in any or all subject inventions*, including weapons-related subject inventions*, at the time of execution of the contract, such that the Contractor may elect to retain the entire right, title and interest throughout the world to such waived subject inventions, in accordance with the terms and conditions of the advance class waiver. *The Contractor does not have a right to retain title to any weapons-related subject inventions prior to being granted title by NNSA under the Class Waiver. In its*

*elections of weapons-related subject inventions, the NNSA alone will make the determination that the subject invention is in fact a weapons-related subject invention, and that rights to the Contractor may be granted, based on specific procedural requirements that the Contractor must meet, as enumerated in the Class Waiver.* Unless otherwise provided by the terms of the advance class waiver, any rights in a subject invention retained by the Contractor under an advance class waiver are subject to *35 U.S.C. 203* and the provisions of this clause, including the Government license provided for in subparagraph (b)(3) of this clause, and any reservations and conditions deemed appropriate by the Secretary of Energy or designee.

(3) Government license. With respect to any subject invention to which the Contractor retains title, either under an advance class waiver pursuant to subparagraph (b)(2) or a determination of greater rights pursuant to subparagraph (b)(7) of this clause, the Government has a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(4) Foreign patent rights. If the Government has title to a subject invention and the Government decides against securing patent rights in a foreign country for the subject invention, the Contractor may request such foreign patent rights from DOE*/NNSA*, and DOE*/NNSA* may grant the Contractor's request, subject to *35 U.S.C. 203* and the provisions of this clause, including the Government license provided for in subparagraph (b)(3) of this clause, and any reservations and conditions deemed appropriate by the Secretary of Energy or designee.

(5) Exceptional circumstance subject inventions. Except to the extent that rights are retained by the Contractor by a determination of greater rights in accordance with subparagraph (b)(7) of this clause, the Contractor does not have the right to retain title to any exceptional circumstance subject inventions and agrees to assign to the Government the entire right, title, and interest, throughout the world, in and to any exceptional circumstance subject inventions.

(i) Inventions within or relating to the following fields of technology are exceptional circumstance subject inventions:

(A) uranium enrichment technology;

(B) storage and disposal of civilian high-level nuclear waste and spent fuel technology; and

*(C)* national security technologies classified or sensitive under Section 148 of the Atomic Energy Act *(42 U.S.C. 2168).*

(ii) Inventions made under any agreement, contract or subcontract related to the following initiatives or programs are exceptional circumstance subject

inventions:

(A) DOE Steel Initiative and Metals Initiative;

(B) U.S. Advanced Battery Consortium;

(C) any funding agreement which is funded in part by the Electric Power Research Institute (EPRI) or the Gas Research Institute (GRI);

*(D) Solid State Energy Conversion Alliance (SECA) if the Contractor is a participant in the "Core Technology Program"; and*

*(E) Solid State Lighting Program (SSLP) if the Contractor is a participant in the "Core Technology Program."*

(iii) Inventions subject to "Department of Energy Determination of Exceptional Circumstances under the Bayh-Dole Act to Further Promote Domestic Manufacture of DOE Science and Energy Technologies" (S&E DEC) issued 6/7/2021 must comply with paragraph (j) U.S. Competitiveness requirements to the maximum extent authorized by the S&E DEC unless otherwise directed by DOE Patent Counsel in writing.

(iv) DOE*/NNSA* reserves the right to unilaterally amend this contract to modify, by deletion or insertion, technical fields, programs, initiatives, and/or other classifications for the purpose of defining DOE*/NNSA* exceptional circumstance subject inventions.

(6) Treaties and international agreements. Any rights acquired by the Contractor in subject inventions are subject to any disposition of right, title, or interest in or to subject inventions provided for in treaties or international agreements *identified at http://www.state.gov/documents/organization/123747.pdf*. DOE*/NNSA* reserves the right to unilaterally amend this contract to identify specific treaties or international agreements entered into or to be entered into by the Government after the effective date of this contract and to effectuate those license or other rights which are necessary for the Government to meet its obligations to foreign governments, their nationals and international organizations under such treaties or international agreements with respect to subject inventions made after the date of the amendment.

(7) Contractor request for greater rights. The Contractor may request greater rights in an identified subject invention, including an exceptional circumstance subject invention, to which the Contractor does not have the right to elect to retain title, in accordance with the DOE patent waiver regulations, by submitting such a request in writing to Patent Counsel with a copy to the Contracting Officer at the time the subject invention is first disclosed to DOE*/NNSA* pursuant to

subparagraph (c)(1) of this clause, or not later than eight (8) months after such disclosure, unless a longer period is authorized in writing by the Contracting Officer for good cause shown in writing by the Contractor. DOE/*NNSA* may grant or refuse to grant such a request by the Contractor. Unless otherwise provided in the greater rights determination, any rights in a subject invention obtained by the Contractor under a determination of greater rights is subject to *35 U.S.C. 203* and the provisions of this clause, including the Government license provided for in subparagraph (b)(3) of this clause, and to any reservations and conditions deemed appropriate by the Secretary of Energy or designee.

(8) Contractor employee-inventor rights. If the Contractor does not elect to retain title to a subject invention or does not request greater rights in a subject invention, including an exceptional circumstance subject invention, to which the Contractor does not have the right to elect to retain title, a Contractor employee-inventor, after consultation with the Contractor and with written authorization from the Contractor in accordance with 10 CFR 784.9(b)(4), may request greater rights, including title, in the subject invention or the exceptional circumstance invention from DOE/*NNSA*, and DOE/*NNSA* may grant or refuse to grant such a request by the Contractor employee-inventor.

(9) Government assignment of rights in Government employees' subject inventions. If a DOE *or NNSA* employee is a joint inventor of a subject invention to which the Contractor has rights, DOE *or NNSA, as applicable,* may assign or refuse to assign any rights in the subject invention acquired by the Government from the DOE *or NNSA* employee to the Contractor, consistent with 48 CFR 27.304-1(d). Unless otherwise provided in the assignment, the rights assigned to the Contractor are subject to the Government license provided for in subparagraph (b)(3) of this clause, and to any provision of this clause applicable to subject inventions in which rights are retained by the Contractor, and to any reservations and conditions deemed appropriate by the Secretary of Energy or designee. The Contractor shall share royalties collected for the manufacture, use or sale of the subject invention with the DOE *or NNSA* employee.

(10) Weapons related subject inventions. Except to the extent that DOE is solely satisfied that the Contractor meets certain procedural requirements and DOE grants rights to the Contractor in weapons related subject inventions, the Contractor does not have a right to retain title to any weapons related subject inventions.

(c) Subject Invention Disclosure, Election of Title, and Filing of Patent Application by Contractor.

(1) Subject invention disclosure. The Contractor shall disclose each subject invention to Patent Counsel with a copy to the contracting officer within two (2) months after an inventor discloses it in writing to Contractor personnel responsible for patent matters or, if earlier, within six (6) months after the

Contractor has knowledge of the subject invention, but in any event before any on sale, public use, or publication of the subject invention. The disclosure to DOE/NNSA shall be in the form of a written report and shall include:

(i) the contract number under which the subject invention was made;

(ii) the inventor(s) of the subject invention;

(iii) a description of the subject invention in sufficient technical detail to convey a clear understanding of the nature, purpose and operation of the subject invention, and of the physical, chemical, biological or electrical characteristics of the subject invention, to the extent known by the Contractor at the time of the disclosure;

(iv) the date and identification of any publication, on sale or public use of the invention;

(v) the date and identification of any submissions for publication of any manuscripts describing the invention, and a statement of whether the manuscript is accepted for publication, to the extent known by the Contractor at the time of the disclosure;

(vi) a statement indicating whether the subject invention is an exceptional circumstance subject invention, related to national security, or subject to a treaty or an international agreement, to the extent known or believed by Contractor at the time of the disclosure;

(vii) all sources of funding by Budget and Resources (B&R) code; and

(viii) the identification of any agreement relating to the subject invention, including Cooperative Research and Development Agreements and Work-for-Others agreements.

Unless the Contractor contends otherwise in writing at the time the invention is disclosed, inventions disclosed to DOE*/NNSA* under this paragraph are deemed made in the manner specified in Sections (a)(1) and (a)(2) of *42 U.S.C. 5908.*

(2) Publication after disclosure. After disclosure of the subject invention to the DOE*/NNSA*, the Contractor shall promptly notify Patent Counsel of the acceptance for publication of any manuscript describing the subject invention or of any expected or on sale or public use of the subject invention, known by the Contractor. The Contractor shall obtain approval from Patent Counsel prior to any release or publication of information concerning an exceptional circumstance subject invention or any subject invention related to a treaty or international agreement.

(3) Election by the Contractor under an advance class waiver. If the Contractor has the right to elect to retain title to subject inventions under an advance class waiver granted in accordance with subparagraph (b)(2) of this clause, and unless otherwise provided for by the terms of the advance class waiver, the Contractor shall elect in writing whether or not to retain title to any subject invention by notifying DOE*/NNSA* within two (2) years of the date of the disclosure of the subject invention to DOE*/NNSA*, in accordance with subparagraph (c)(1) of this clause. The notification shall identify the advance class waiver, state the countries, including the United States, in which rights are retained, and certify that the subject invention is not an exceptional circumstance subject invention or subject to a treaty or international agreement. If a publication, on sale or public use of the subject invention has initiated the 1-year statutory period under *35 U.S.C. 102*(b), the period for election may be shortened by DOE*/NNSA* to a date that is no more than sixty
(60) days prior to the end of the 1-year statutory period.

*(4)* Filing of patent applications by the Contractor under an advance class waiver. If the Contractor has the right to retain title to a subject invention in accordance with an advance class waiver pursuant to subparagraph (b)(2) of this clause or a determination of greater rights pursuant to paragraph (b)(7) of this clause, and unless otherwise provided for by the terms of the advance class waiver or greater rights determination, the Contractor shall file an initial patent application claiming the subject invention to which it retains title either within one (1) year after the Contractor's election to retain or grant of title to the subject invention or prior to the end of any 1-year statutory period under *35 U.S.C. 102*(b), whichever occurs first. Any patent applications filed by the Contractor in foreign countries or international patent offices shall be filed within either ten (10) months of the corresponding initial patent application or, if such filing has been prohibited by a Secrecy Order, within six (6) months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications.

(5) Submission of patent information and documents. If the Contractor files a domestic or foreign patent application claiming a subject invention, the Contractor shall promptly submit to Patent Counsel the following information and documents:

(i) The filing date, serial number, title, and a copy of the patent application (including an English-language version if filed in a language other than English);

(ii) An executed and approved instrument fully confirmatory of all Government rights in the subject invention; and

(iii) The patent number, issue date, and a copy of any issued patent claiming

the subject invention.

(6) Contractor's request for an extension of time. Requests for an extension of the time to disclose a subject invention, to elect to retain title to a subject invention, or to file a patent application under subparagraphs (c)(1), (3), and (4) of this clause may be granted at the discretion of Patent Counsel or DOE/NNSA.

(7) Duplication and disclosure of documents. The Government may duplicate and disclose subject invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause; provided, however, that any such duplication or disclosure by the Government is subject to *35 U.S.C. 205* and 37 CFR Part 40.

(d) Conditions When the Government May Obtain Title Notwithstanding an Advance Class Waiver.

(1) Return of title to a subject invention. If the Contractor requests that DOE*/NNSA* acquire title or rights from the Contractor in a subject invention, including an exceptional circumstance subject invention, to which the Contractor retained title or rights under subparagraph (b)(2) or subparagraph (b)(7) of this clause, DOE*/NNSA* may acquire such title or rights from the Contractor, or DOE*/NNSA* may decide against acquiring such title or rights from the Contractor, at DOE*/NNSA*'s sole discretion.

(2) Failure to disclose or elect to retain title. Title vests in DOE*/NNSA* and DOE*/NNSA* may request, in writing, a formal assignment of title to a subject invention from the Contractor, and the Contractor shall convey title to the subject invention to DOE*/NNSA*, if the Contractor elects not to retain title to the subject invention under an advance class waiver, or the Contractor fails to disclose or fails to elect to retain title to the subject invention within the times specified in subparagraphs (c)(1) and (c)(3) of this clause.

(3) Failure to file domestic or foreign patent applications. In those countries in which the Contractor fails to file a patent application within the times specified in subparagraph (c)(4) of this clause, DOE*/NNSA* may request, in writing, title to the subject invention from the Contractor, and the Contractor shall convey title to the subject invention to DOE; provided, however, that if the Contractor has filed a patent application in any country after the times specified in subparagraph (c)(4) of this clause, but prior to its receipt of DOE*/NNSA* 's written request for title, the Contractor continues to retain title in that country.

(4) Discontinuation of patent protection by the Contractor. If the Contractor decides to discontinue the prosecution of a patent application, the payment of maintenance fees, or the defense of a subject invention in a reexamination or opposition proceeding, in any country, DOE*/NNSA* may request, in writing, title to the subject invention from the Contractor, and the Contractor shall convey

title to the subject invention to DOE/*NNSA*.

(5) Termination of advance class waiver. DOE/*NNSA* may request, in writing, title to any subject inventions from the Contractor, and the Contractor shall convey title to the subject inventions to DOE/*NNSA*, if the advance class waiver granted under subparagraph (b)(2) of this clause is terminated under paragraph (u) of this clause.

(e) Minimum Rights of the Contractor.

(1) Request for a Contractor license. Except for subject inventions that the Contractor fails to disclose within the time periods specified at subparagraph (c)(1) of this clause, the Contractor may request a revocable, nonexclusive, royalty-free license in each patent application filed in any country claiming a subject invention and any resulting patent in which the Government obtains title, and DOE/*NNSA* may grant or refuse to grant such a request by the Contractor. If DOE/*NNSA* grants the Contractor's request for a license, the Contractor's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the Contractor is a party and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded.

(2) Transfer of a Contractor license. DOE/*NNSA* shall approve any transfer of the Contractor's license in a subject invention, and DOE/*NNSA* may determine that the Contractor's license is non- transferable, on a case-by-case basis.

(3) Revocation or modification of a Contractor license. DOE/*NNSA* may revoke or modify the Contractor's domestic license to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in 37 CFR Part 404 and DOE/*NNSA* licensing regulations. DOE/*NNSA* may not revoke the Contractor's domestic license in that field of use or the geographical areas in which the Contractor, its licensees or its domestic subsidiaries or affiliates have achieved practical applications and continues to make the benefits of the invention reasonably accessible to the public. DOE/*NNSA* may revoke or modify the Contractor's license in any foreign country to the extent the Contractor, its licensees, or its domestic subsidiaries or affiliates failed to achieve practical application in that foreign country.

(4) Notice of revocation or modification of a Contractor license. Before revocation or modification of the license, DOE/*NNSA* shall furnish the Contractor a written notice of its intention to revoke or modify the license, and the Contractor shall be allowed thirty (30) days from the date of the notice (or such other time as may be authorized by DOE/*NNSA* for good cause shown by the Contractor) to show cause why the license should not be revoked or modified. The Contractor has the

right to appeal any decision concerning the revocation or modification of its license, in accordance with applicable regulations in 37 CFR Part 404 and DOE/*NNSA* licensing regulations.

(f) Contractor Action to Protect the Government's Interest.

(1) Execution and delivery of title or license instruments. The Contractor agrees to execute or have executed, and to deliver promptly to DOE *or NNSA* all instruments necessary to accomplish the following actions:

(i) establish or confirm the Government's rights throughout the world in subject inventions to which the Contractor elects to retain title;

(ii) convey title in a subject invention to DOE/*NNSA* pursuant to subparagraph (b)(5) and paragraph (d) of this clause; or

(iii) enable the Government to obtain patent protection throughout the world in a subject invention to which the Government has title.

(2) Contractor employee agreements. The Contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to Contractor personnel identified as responsible for the administration of patent matters and in a format suggested by the Contractor, each subject invention made under this contract, and to execute all papers necessary to file patent applications claiming subject inventions or to establish the Government's rights in the subject inventions. This disclosure format shall at a minimum include the information required by subparagraph (c)(1) of this clause. The Contractor shall instruct such employees, through employee agreements or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) Contractor procedures for reporting subject inventions to DOE/*NNSA*. The Contractor agrees to establish and maintain effective procedures for ensuring the prompt identification and timely disclosure of subject inventions to DOE/*NNSA*. The Contractor shall submit a written description of such procedures to the Contracting Officer, upon request, for evaluation and approval of the effectiveness of such procedures by the Contracting Officer.

(4) Notification of discontinuation of patent protection. With respect to any subject invention for which the Contractor has responsibility for patent prosecution, the Contractor shall notify Patent Counsel of any decision to discontinue the prosecution of a patent application, payment of maintenance fees, or defense of a subject invention in a reexamination or opposition proceeding, in any country, not less than thirty (30) days before the expiration of the response period for any

action required by the corresponding patent office.

(5) Notification of Government rights. With respect to any subject invention to which the Contractor has title, the Contractor agrees to include, within the specification of any United States patent application and within any patent issuing thereon claiming a subject invention, the following statement, "This invention was made with Government support under (identify the contract) awarded by the United States Department of Energy*/National Nuclear Security Administration*. The Government has certain rights in the invention."

(6) Avoidance of Royalty Charges. If the Contractor licenses a subject invention, the Contractor agrees to avoid royalty charges on acquisitions involving Government funds, including funds derived through a Military Assistance Program of the Government or otherwise derived through the Government, to refund any amounts received as royalty charges on a subject invention in acquisitions for, or on behalf of, the Government, and to provide for such refund in any instrument transferring rights in the subject invention to any party.

(7) DOE*/NNSA* approval of assignment of rights. Rights in a subject invention in the United States may not be assigned by the Contractor without the approval of DOE*/NNSA*.

(8) Small business firm licensees. The Contractor shall make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms, and may give a preference to a small business firm when licensing a subject invention if the Contractor determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, the Contractor is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision as to whether to give a preference in any specific case is at the discretion of the Contractor.

(9) Contractor licensing of subject inventions. To the extent that it provides the most effective technology transfer, licensing of subject inventions shall be administered by Contractor employees on location at the facility.

(g) Subcontracts.

(1) Subcontractor subject inventions. The Contractor shall not obtain rights in the subcontractor's subject inventions as part of the consideration for awarding a subcontract.

(2) Inclusion of patent rights clause-non-profit organization or small business firm subcontractors. Unless otherwise authorized or directed by the Contracting

Officer, the Contractor shall include the patent rights clause at 48 CFR 952.227-11, suitably modified to identify the parties, in all subcontracts, at any tier, for experimental, developmental, demonstration or research work to be performed by a small business firm or domestic nonprofit organization, except subcontracts which are subject to exceptional circumstances in accordance with *35 U.S.C. 202* and subparagraph (b)(5) of this clause.

(3) Inclusion of patent rights clause-subcontractors other than non-profit organizations or small business firms. Except for the subcontracts described in subparagraph (g)(2) of this clause, the Contractor shall include the patent rights clause at 48 CFR 952.227-13, suitably modified to identify the parties and any applicable exceptional circumstance, in any contract for experimental, developmental, demonstration or research work.

(4) DOE*/NNSA* and subcontractor contract. With respect to subcontracts at any tier, DOE*/NNSA*, the subcontractor and Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and DOE*/NNSA* with respect to those matters covered by this clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(5) Subcontractor refusal to accept terms of patent rights clause. If a prospective subcontractor refuses to accept the terms of a patent rights clause, the Contractor shall promptly submit a written notice to the Contracting Officer stating the subcontractor's reasons for such refusal and including relevant information for expediting disposition of the matter; and the Contractor shall not proceed with the subcontract without the written authorization of the Contracting Officer.

(6) Notification of award of subcontract. Upon the award of any subcontract at any tier containing a patent rights clause, the Contractor shall promptly notify the Contracting Officer in writing and identify the subcontractor, the applicable patent rights clause, the work to be performed under the subcontract, and the dates of award and estimated completion. Upon request of the Contracting Officer, the Contractor shall furnish a copy of a subcontract.

(7) Identification of subcontractor subject inventions. If the Contractor in the performance of this contract becomes aware of a subject invention made under a subcontract, the Contractor shall promptly notify Patent Counsel and identify the subject invention, with a copy of the notification and identification to the Contracting Officer.

(h) Reporting on Utilization of Subject Inventions. Upon request by DOE *or NNSA*, the Contractor agrees to submit periodic reports, no more frequently than annually, describing the utilization of a subject invention or efforts made by the Contractor or its

licensees or assignees to obtain utilization of the subject invention. The reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Contractor, and other data and information reasonably specified by DOE *or NNSA*. Upon request by DOE *or NNSA*, the Contractor also agrees to provide reports in connection with any march-in proceedings undertaken by DOE *or NNSA*, in accordance with paragraph (j) of this clause. If any data or information reported by the Contractor in accordance with this provision is considered privileged and confidential by the Contractor, its licensee, or assignee and the Contractor properly marks the data or information privileged or confidential, DOE *and NNSA* agree not to disclose such information to persons outside the Government, to the extent permitted by law.

(i) Preference for United States Industry. Notwithstanding any other provision of this clause the Contractor agrees that with respect to any subject invention in which it retains title, neither it nor any assignee may grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, DOE *or NNSA* may waive the requirement for such an agreement upon a showing by the Contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) U.S. Competitiveness. The Contractor agrees that any products embodying any subject invention or produced through the use of any subject invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of DOE that it is not commercially feasible. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., alternative binding commitments to provide an overall net benefit to the U.S. economy. The Contractor agrees that it will not license, assign or otherwise transfer any subject invention to any entity, at any tier, unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention(s): (1) undergo a change in ownership amounting to a controlling interest, or (2) sell, assign, or otherwise transfer title or exclusive rights in the invention(s), then the assignment, license, or other transfer of rights in the subject invention(s) is/are suspended until approved in writing by DOE. The Contractor and any successor assignee will convey to DOE, upon written request from DOE, title to any subject invention, upon a breach of this paragraph. The Contractor will include this paragraph in all subawards/contracts, regardless of tier, for experimental, developmental or research work.

(k) March-In Rights. With respect to any subject invention to which the Contractor has elected to retain or is granted title, DOE *or NNSA* may, in accordance with the procedures in the DOE patent waiver regulations, require the Contractor, an assignee

or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances. If the Contractor, assignee or exclusive licensee refuses such a request, DOE*/NNSA* has the right to grant such a license itself if DOE*/NNSA* determines that-

(1) Such action is necessary because the Contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

(2) Such action is necessary to alleviate health or safety needs that are not reasonably satisfied by the Contractor, assignee, or their licensees;

(3) Such action is necessary to meet requirements for public use specified by government regulations and such requirements are not reasonably satisfied by the Contractor, assignee, or licensees; or

(4) Such action is necessary because the agreement to substantially manufacture in the United States and required by paragraph (i) of this clause has neither been obtained nor waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(l) Communications. The Contractor shall direct any notification, disclosure, or request provided for in this clause to the Patent Counsel identified in the contract.

(m) Reports.

(1) Interim reports. Upon DOE's *or NNSA's* request, the Contractor shall submit to DOE *or NNSA*, no more frequently than annually, a list of subject inventions disclosed to DOE*/NNSA* during a specified period, or a statement that no subject inventions were made during the specified period; and/or a list of subcontracts containing a patent clause and awarded by the Contractor during a specified period, or a statement that no such subcontracts were awarded during the specified period. The interim report shall state whether the Contractor's invention disclosures were submitted to DOE*/NNSA* in accordance with the requirements of subparagraphs (f)(3) and (f)(4) of this clause.

(2) Final reports. Upon DOE's *or NNSA's* request, the Contractor shall submit to DOE *or NNSA*, prior to closeout of the contract or within three (3) months of the date of completion of the contracted work, a list of all subject inventions disclosed during the performance period of the contract, or a statement that no subject inventions were made during the contract performance period; and/or a list of all subcontracts containing a patent clause and awarded by the Contractor during the contract performance period, or a statement that no such subcontracts were awarded during the contract performance period.

(n) Facilities License. In addition to the rights of the parties with respect to inventions or discoveries conceived or first actually reduced to practice in the course of or under this contract, the Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice or acquired by the contractor at any time through completion of this contract and which are incorporated or embodied in the construction of the facility or which are utilized in the operation of the facility or which cover articles, materials, or products manufactured at the facility

(1) to practice or have practiced by or for the Government at the facility, and

(2) to transfer such license with the transfer of that facility. Notwithstanding the acceptance or exercise by the Government of these rights, the Government may contest at any time the enforceability, validity or scope of, or title to, any rights or patents herein licensed.

(o) Atomic Energy.

(1) Pecuniary awards. No claim for pecuniary award of compensation under the provisions of the Atomic Energy Act of 1954, as amended, may be asserted with respect to any invention or discovery made or conceived in the course of or under this contract.

(2) Patent Agreements. Except as otherwise authorized in writing by the Contracting Officer, the Contractor shall obtain patent agreements to effectuate the provisions of subparagraph (o)(1) of this clause from all persons who perform any part of the work under this contract, except nontechnical personnel, such as clerical employees and manual laborers.

(p) Classified Inventions.

(1) Approval for filing a foreign patent application. The Contractor shall not file or cause to be filed an application or registration for a patent disclosing a subject invention related to classified subject matter in any country other than the United States without first obtaining the written approval of the Contracting Officer.

(2) Transmission of classified subject matter. If in accordance with this clause the Contractor files a patent application in the United States disclosing a subject invention that is classified for reasons of security, the Contractor shall observe all applicable security regulations covering the transmission of classified subject matter. If the Contractor transmits a patent application disclosing a classified subject invention to the United States Patent and Trademark Office (USPTO), the Contractor shall submit a separate letter to the USPTO identifying the contract or contracts by agency and agreement number that require security classification markings to be placed on the patent application.

(3) Inclusion of clause in subcontracts. The Contractor agrees to include the substance of this clause in subcontracts at any tier that cover or are likely to cover subject matter classified for reasons of security.

(q) Examination of Records Relating to Inventions.

(1) Contractor compliance. Until the expiration of three (3) years after final payment under this contract, the Contracting Officer or any authorized representative may examine any books (including laboratory notebooks), records, and documents and other supporting data of the Contractor, which the Contracting Officer or authorized representative deems reasonably pertinent to the discovery or identification of subject inventions, including exceptional circumstance subject inventions, or to determine Contractor (and inventor) compliance with the requirements of this clause, including proper identification and disclosure of subject inventions, and establishment and maintenance of invention disclosure procedures.

(2) Unreported inventions. If the Contracting Officer is aware of an invention that is not disclosed by the Contractor to DOE*/NNSA*, and the Contracting Officer believes the unreported invention may be a subject invention, DOE *or NNSA* may require the Contractor to submit to DOE *or NNSA* a disclosure of the invention for a determination of ownership rights.

(3) Confidentiality. Any examination of records under this paragraph is subject to appropriate conditions to protect the confidentiality of the information involved.

(4) Power of inspection. With respect to a subject invention for which the Contractor has responsibility for patent prosecution, the Contractor shall furnish the Government, upon request by DOE *or NNSA*, an irrevocable power to inspect and make copies of a prosecution file for any patent application claiming the subject invention.

(r) Patent Functions. Upon the written request of the Contracting Officer or Patent Counsel, the Contractor agrees to make reasonable efforts to support DOE*/NNSA* in accomplishing patent- related functions for work arising out of the contract, including, but not limited to, the prosecution of patent applications, and the determination of questions of novelty, patentability, and inventorship.

(s) Educational Awards Subject to *35 U.S.C. 212.* The Contractor shall notify the Contracting Officer prior to the placement of any person subject to *35 U.S.C. 212* in an area of technology or task (1) related to exceptional circumstance technology or (2) any person who is subject to treaties or international agreements as set forth in paragraph (b)(6) of this clause or to agreements other than funding agreements. The Contracting Officer may disapprove of any such placement.

(t) Annual Appraisal by *NNSA* Patent Counsel. *NNSA* Patent Counsel may conduct an annual appraisal to evaluate the Contractor's effectiveness in identifying and protecting subject inventions in accordance with DOE *and NNSA* policy.

*(u)* Publication. *It is recognized that during the course of the work under this contract, the Contractor or its employees may from time to time desire to release or publish information regarding scientific or technical developments conceived or first actually reduced to practice in the course of or under this contract. In order that public disclosure of such information will not adversely affect the patent interest of DOE or NNSA or the Contractor, timely notification of the release of scientific and technical publications shall be provided to the Contractor personnel responsible for patent matters. Contractor delivery of this data and information to the Patent Counsel shall be considered met if the required data and information is entered into an appropriate database of listed publications and the Patent Counsel has "read-only" access to the database. A copy of this data and information must be made available to the Contracting Officer upon request.*

(v) Termination of Contractor's Advance Class Waiver. If a request by the Contractor for an advance class waiver pursuant to subparagraph (b)(2) of this clause or a determination of greater rights pursuant to paragraph (c) of this clause contains false material statements or fails to disclose material facts, and DOE *or NNSA* relies on the false statements or omissions in granting the Contractor's request, the waiver or grant of any Government rights (in whole or in part) to the subject invention(s) may be terminated at the discretion of the Secretary of Energy or designee. Prior to termination, DOE *or NNSA* shall provide the Contractor with written notification of the termination, including a statement of facts in support of the termination, and the Contractor shall be allowed thirty (30) days, or a longer period authorized by the Secretary of Energy or designee for good cause shown in writing by the Contractor, to show cause for not terminating the waiver or grant. Any termination of an advance class waiver or a determination of greater rights is subject to the Contractor's license as provided for in paragraph (f) of this clause.

(End of Clause)

## I-23 DEAR 970.5232-2 PAYMENTS AND ADVANCES (OCT 2021) ALTERNATE II (DEC 2021) ALTERNATE IV (DEC 2000) (NNSA CLASS DEVIATION FEB 2022) (REPLACED 0255)

(a) *Payment of Total Available Fee: Base Fee, Fixed Fee, and Performance Fee.*

(1) The base fee and/or fixed fee amounts, if any, are payable in equal monthly installments. Total available fee amount earned is payable following the Government's Determination of Total Available Fee Amount Earned. Base fee and fixed fee amounts and total available fee amount earned payments shall be made by direct payment or withdrawn from funds advanced or available under this contract, as determined by the Contracting Officer. The Contracting Officer may offset against any such fee payment the amounts owed to the Government by the

Contractor, including any amounts owed for disallowed costs under this contract. No base fee or fixed fee amounts or total available fee amount earned payments may be withdrawn against the payments cleared financing arrangement without prior written approval of the Contracting Officer.

(2) *Provisional fee.* Additionally, if the Contracting Officer authorizes provisional payment of fee and for only as long as the Contracting Officer authorizes it, the Contractor may withdraw from funds advanced on the last working day of each month a provisional fee equal to ***TBD*** percent of the annual available award fee amount. The Contracting Officer may for any reason withdraw his/her authorization allowing the Contractor's withdrawal of provisional fee if at any time in his/her judgement the Contractor will not earn the provisional fee. The Contracting Officer's decision to authorize the Contractor's withdrawal of provisional fee or to withdraw such authorization is solely within the Contracting Officer's discretion. Following the Government's determination of total available fee amount earned, the Contractor may withdraw from funds advanced the amount by which earned fee exceeds provisional fee; and must immediately return to funds advanced the amount by which provisional fee exceeds earned fee.

(b) *Payments on account of allowable costs.* The Contracting Officer and the Contractor shall agree as to the extent to which payment for allowable costs or payments for other items specifically approved in writing by the Contracting Officer (for example, negotiated fixed amounts) shall be made from advances of Government funds.

(c) *Timing of payments.* Funds for payments of allowable costs, including payments for pension plan contributions, shall be drawn from the special financial institution account when those payments are made, not when the costs are accrued.

(d) *Special financial institution account-use.* All advances of Government funds shall be withdrawn pursuant to a payments cleared financing arrangement prescribed by DOE in favor of the financial institution or, at the option of the Government, shall be made by direct payment or other payment mechanism to the Contractor, and shall be deposited only in the special financial institution account referred to in the Special Financial Institution Account Agreement, which is incorporated into this contract as Appendix P. The contractor will follow current procedures and requirements for establishing and managing the special financial institution account that are stated in the Department's Financial Management Handbook and relevant Department of Treasury rules.

(e) *Use of the special financial institution account for unallowable costs.* Government funds in the special financial institution account shall be used only for costs allowable and, if applicable, fees earned under this contract, negotiated fixed amounts, or payments for other items specifically approved in writing by the Contracting Officer.

(f) *Title to funds advanced*. Title to the unexpended balance of any funds advanced

and of any special financial institution account established pursuant to this clause shall remain in the Government and be superior to any claim or lien of the financial institution of deposit or others. It is

understood that an advance to the Contractor hereunder is not a loan to the Contractor, and will not require the payment of interest by the Contractor, and the Contractor acquires no right, title or interest in or to such advance other than the right to make expenditures therefrom, as provided in this clause.

(g) *Financial settlement.* The Government shall promptly pay to the Contractor the unpaid balance of allowable costs and fee upon termination of the work, expiration of the term of the contract, or completion of the work and its acceptance by the Government after—

(1) Compliance by the Contractor with DOE/NNSA's patent clearance requirements; and

(2) The furnishing by the Contractor of—

(i) An assignment of the Contractor's rights to any refunds, rebates, allowances, accounts receivable, collections accruing to the Contractor in connection with the work under this contract, or other credits applicable to allowable costs under the contract;

(ii) A closing financial statement which shall also include a schedule reconciling the allowable costs by fiscal year to the payments made by fiscal year;

(iii) The accounting for Government-owned property required by the clause entitled "Property"; and

(iv) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract subject only to the following exceptions—

(A) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by the Contractor;

(B) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor

gives notice of such claims in writing to the Contracting Officer promptly, but not more than one (1) year after the Contractor's right of action first accrues. In addition, the Contractor shall provide prompt notice to the Contracting Officer of all potential claims under this clause, whether in litigation or not (see also Contract Clause, 48 CFR 970.5228-1, "Insurance— Litigation and Claims");

(C) Claims for reimbursement of costs (other than expenses of the Contractor by reason of any indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents; and

(D) Claims recognizable under the clause entitled, Nuclear Hazards Indemnity Agreement.

(3) In arriving at the amount due the Contractor under this clause, there shall be deducted—

(i) Any claim which the Government may have against the Contractor in connection with this contract; and

(ii) Deductions due under the terms of this contract and not otherwise recovered by or credited to the Government. The unliquidated balance of the special financial institution account may be applied to the amount due and any balance shall be returned to the Government forthwith.

(h) *Claims.* Claims for credit against funds advanced for payment shall be accompanied by such supporting documents and justification as the Contracting Officer shall prescribe.

(i) *Discounts.* The Contractor shall take and afford the Government the advantage of all known and available cash and trade discounts, rebates, allowances, credits, salvage, and commissions unless the Contracting Officer finds that action is not in the best interest of the Government.

(j) *Collections.* All collections accruing to the Contractor in connection with the work under this contract, except for the Contractor's fee and royalties or other income accruing to the Contractor from technology transfer activities in accordance with this contract, shall be Government property and

shall be processed and accounted for in accordance with applicable requirements imposed by the Contracting Officer pursuant to the Laws, regulations, and DOE directives clause of this contract and, to the extent consistent with those requirements, shall be deposited in the special financial institution account or otherwise made available for payment of allowable costs under this contract, unless otherwise directed by the Contracting Officer.

(k) Direct payment of charges. The Government reserves the right, upon 10 days' written notice from the Contracting Officer to the Contractor, to pay directly to the persons concerned, all amounts due which otherwise would be allowable under this contract. Any payment so made shall discharge the Government of all liability to the Contractor.

(1) *Determining allowable costs*. Regardless of contract type, the Contracting Officer shall determine allowable costs in accordance with 48 CFR 31.2 and 48 CFR 970.31 in effect on the date of this contract and other provisions of this contract.

(End of clause)

**I-24 DEAR 970.5232-3 ACCOUNTS, RECORDS AND INSPECTION (OCT 2021) (NNSA CLASS DEVIATION NOV 2021) (REPLACED 0255)**

(a) *Accounts.* The Contractor shall maintain a single financial management system with separate and distinct set of accounts, records, documents, and other evidence showing and supporting: all allowable costs, collections accruing to the Contractor in connection with the work under this contract, other applicable credits, negotiated fixed amounts, and fee accruals under this contract; and the receipt, use, and disposition of all Government property coming into the possession of the Contractor under this contract. The system of accounts employed by the Contractor shall be satisfactory to DOE and in accordance with generally accepted accounting principles consistently applied.

(b) *Inspection and audit of accounts and records.* All books of account and records relating to this contract shall be subject to inspection and audit by DOE or its designees in accordance with the provisions of the clause, Access to and Ownership of Records, at all reasonable times, before and during the period of retention provided for in paragraph (d) of this clause, and the Contractor shall afford DOE proper facilities for such inspection and audit.

(c) *Audit of subcontractors' incurred costs*. If the subcontractor's incurred costs are a factor in determining the amount the Contractor pays the subcontractor and submits to the Government for reimbursement, the Contractor shall: perform a sufficient amount of audit work (that the Contracting Officer agrees is sufficient) of its subcontractor's incurred costs to provide reasonable assurance the costs are allowable; or arrange for an audit by the cognizant government audit agency through the Contracting Officer of its subcontractor's incurred costs.

(d) *Disposition of records.* Except as agreed upon by the Government and the Contractor, all financial and cost reports, books of account and supporting documents, system files, data bases, and other data evidencing costs allowable, collections accruing to the Contractor in connection with the work under this contract, other applicable

credits, and fee accruals under this contract, shall be the property of the Government, and shall be delivered to the Government or otherwise disposed of by the Contractor either as the Contracting Officer may from time to time direct during the progress of the work or, in any event, as the Contracting Officer shall direct upon completion or termination of this contract and final audit of accounts hereunder. Except as otherwise provided in this contract, including provisions of the clause 970.5204-3, Access to and Ownership of Records, all other records in the possession of the Contractor relating to this contract shall be preserved by the Contractor for a period of three years after final payment under this contract or otherwise disposed of in such manner as may be agreed upon by the Government and the Contractor.

(e) *Reports.* The Contractor shall furnish such progress reports and schedules, financial and cost reports, and other reports concerning the work under this contract as the Contracting Officer may from time to time require.

(f) *Inspections*. The DOE shall have the right to inspect the work and activities of the Contractor under this contract at such time and in such manner as it shall deem appropriate.

(g) *Subcontracts.* The Contractor further agrees to require the inclusion of provisions similar to those in paragraphs (a) through (g) and paragraph
(h) of this clause in all subcontracts (including fixed-price or unit-price subcontracts or purchase orders) of any tier entered into hereunder where, under the terms of the subcontract, costs incurred are a factor in determining the amount payable to the subcontractor.

*(h) Comptroller General.*

(1) The Comptroller General of the United States, or an authorized representative, shall have access to and the right to examine any of the Contractor's or subcontractor's directly pertinent records involving transactions related to this contract or a subcontract hereunder and to interview any employee regarding such transactions.

(2) This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(3) Nothing in this contract shall be deemed to preclude an audit by the Government Accountability Office of any transaction under this contract.

(i) *Internal audit.* The Contractor agrees to design and maintain an internal audit plan and an internal audit organization.

(1) Upon contract award, the exercise of any contract option, or the extension

of the contract, the Contractor must submit to the Contracting Officer for approval an Internal Audit Implementation Design to include the overall strategy for internal audits. The Audit Implementation Design must describe—

(i) The internal audit organization's placement within the Contractor's organization and its reporting requirements;
(ii) The audit organization's size and the experience and educational standards of its staff;
(iii) The audit organization's relationship to the corporate entities of the Contractor;
(iv) The standards to be used in conducting the internal audits;
(v) The overall internal audit strategy of this contract, considering particularly the method of auditing costs incurred in the performance of the contract;
(vi) The intended use of external audit resources;
(vii) The plan for audit of subcontracts, both pre-award and post-award; and
(viii) The schedule for peer review of internal audits by other contractor internal audit organizations, or other independent third party audit entities approved by the DOE Contracting Officer.

(2) By each January 31 of the contract performance period, the Contractor must submit an annual audit report to the Contracting Officer, providing a summary of the audit activities undertaken during the previous fiscal year. That report shall reflect the results of the internal audits during the previous fiscal year and the actions to be taken to resolve weaknesses identified in the contractor's system of business, financial, or management controls.

(3) By each June 30 of the contract performance period, the Contractor must submit to the Contracting Officer an annual audit plan for the activities to be undertaken by the internal audit organization during the next fiscal year that is designed to test the costs incurred and contractor management systems described in the internal audit design.

(4) The Contracting Officer may require revisions to documents submitted under paragraphs (i)(1), (i)(2), and (i)(3) of this clause, including the design plan for the internal audits, the annual report, and the annual internal audits.

(j) *Remedies*. If at any time during contract performance, the Contracting Officer determines that unallowable costs were claimed by the Contractor to the extent of making the contractor's management controls suspect, or the contractor's management systems that validate costs incurred and claimed suspect, the Contracting Officer may, in his or her sole discretion, require the Contractor to cease using the special financial institution account in whole or with regard to specified accounts, requiring reimbursable costs to be claimed by periodic vouchering. In addition, the Contracting Officer, where he or she deems it appropriate, may: Impose a penalty under 48 CFR

52.242-3, Penalties for Unallowable Costs; require a refund; reduce the contractor's otherwise earned fee; and take such other action as authorized in law, regulation, or this contract.

(End of clause)

## I-25 DEAR 970.5232-6 WORK FOR OTHERS FUNDING AUTHORIZATION (DEC 2000) (NNSA CLASS DEVIATION OCT 2011)

Any uncollectible receivables resulting from the Contractor utilizing contractor corporate funding for reimbursable work shall be the responsibility of the Contractor, and the United States Government shall have no liability to the Contractor for the Contractor's uncollected receivables. The Contractor is permitted to provide advance payment utilizing contractor corporate funds for reimbursable work to be performed by the Contractor for a non-Federal entity in instances where advance payment from that entity is required under the Laws, regulations, and DOE *and NNSA* directives clause of this contract and such advance cannot be obtained. The Contractor is also permitted to provide advance payment utilizing contractor corporate funds to continue reimbursable work to be performed by the Contractor for a Federal entity when the term or the funds on a Federal interagency agreement required under the Laws, regulations, and DOE *and NNSA* directives clause of this contract have elapsed. The Contractor's utilization of contractor corporate funds does not relieve the Contractor of its responsibility to comply with all requirements for Work for Others applicable to this contract.

## I-26 DEAR 970.5244-1 CONTRACTOR PURCHASING SYSTEM (OCT 2021) (NNSA CLASS DEVIATION FEB 2022) **(REPLACED 0091, 0203, 0255)**

(a) *General.* The Contractor shall develop, implement, and maintain formal policies, practices, and procedures to be used in the award of subcontracts consistent with this clause. The Contractor's purchasing system and methods shall be fully documented, consistently applied, and acceptable to the Department of Energy (DOE) in accordance with 48 CFR 970.4401-1. The Contractor shall maintain file documentation appropriate to the value of the purchase and adequate to establish the propriety of the transaction and the price paid. The Contractor's obligations include, among other things, retaining documentation to justify the cost on any flexibly priced subcontract or any subcontract with a flexibly priced element. DOE reserves the right at any time to require that the Contractor submit for approval any or all subcontracts or purchases under this contract. The Contractor shall not purchase any item or service expressly prohibited by the written direction of DOE, and shall use any special and directed sources expressly required by the DOE Contracting Officer. DOE will conduct periodic appraisals of the Contractor's management of all facets of the Contractor's purchasing function, including the Contractor's compliance with its approved system and methods and the Contractor's management of the function. Such appraisals shall be performed against the criteria and measures set forth in 48 CFR subpart 44.3. The Contractor's approved purchasing system and methods shall include the requirements set forth in paragraphs (b) through (y) of this clause.

(b) *Acquisition of utility services.* Utility services shall be acquired in accordance with the requirements of 48 CFR subpart 970.41.

(c) *Acquisition of real* property. Real estate or real property interests shall be acquired in accordance with 48 CFR subpart 917.74.

(d) *Advance notice of proposed subcontract awards.* Advance notice shall be provided in accordance with 48 CFR 970.4401-3.

(e) *Audit of subcontractors.* (1) The Contractor shall provide for—

(i) Periodic post-award audit—or a sufficient amount of audit work (that the Contracting Officer agrees is sufficient)—to provide reasonable assurance that all claimed subcontract costs are allowable for: flexibly priced subcontracts at all tiers; and the flexibly priced elements in any subcontracts at all tiers ("flexibly priced" subcontracts and elements include Cost-Reimbursement subcontracts, Time-and-Materials subcontracts, cost-reimbursement elements in Fixed-Priced contracts, etc.); and

(ii) Audits, where necessary, to provide a valid basis for pre-award or cost or price analysis.

(2) Responsibility for determining the allowability of costs under each cost-reimbursement subcontract remains with the Contractor or next higher-tier subcontractor. The Contractor shall provide, in appropriate cases, for the timely joint involvement of the Contractor and the DOE Contracting Officer in resolution of subcontract cost allowability. In no case, however, shall the Contractor's subcontract audit arrangements preclude the Contracting Officer's determination of the allowability or unallowability of the subcontract costs the Contractor claims for reimbursement.

(3) Where audits of subcontractors at any tier are required, the Contractor shall consult with the Cognizant Contract Auditor to determine if the auditor is already planning to audit the subcontract. If not already planned, the Contractor shall consult with the DOE Contracting Officer on the best approach for obtaining an audit; this may involve employing external auditors. The Contractor shall interact with the cognizant Federal agency in a manner appropriate to the magnitude and nature of the subcontracted work. In no case, however, shall subcontractor auditing arrangements preclude determination by the Contracting Officer of the allowability or unallowability of subcontractor costs claimed for reimbursement by the Contractor.

(4) Allowable costs for cost-reimbursement subcontracts are to be determined in accordance with the cost principles of 48 CFR part 31, appropriate for the type of organization to which the subcontract is to be awarded, as supplemented by 48 CFR part 931. Allowable costs in the purchase or transfer from contractor-affiliated sources shall be determined in accordance with 48 CFR 970.4402-3 and 48 CFR 31.205-26(e).

(f) *Bonds and insurance.*

(1) The Contractor shall require performance bonds in amounts as set forth in 48 CFR

28.102-2(b) for all fixed-priced and unit-priced construction subcontracts in excess of $150,000. The Contractor shall consider the use of performance bonds in fixed-price non-construction subcontracts, where appropriate.

(2) For fixed-price, unit-priced and cost reimbursement construction subcontracts in excess of $150,000, a payment bond shall be obtained on Standard Form 25A modified to name the Contractor as well as the United States of America as obligees. The amounts shall be determined in accordance with 48 CFR 28.102-2(b).

(3) For fixed-price, unit-priced and cost-reimbursement construction subcontracts greater than $35,000, but not greater than $150,000, the Contractor shall select two or more of the payment protections at 48 CFR 28.102-1(b), giving particular consideration to the inclusion of an irrevocable letter of credit as one of the selected alternatives.

(4) A subcontractor may have more than one acceptable surety in both construction and other subcontracts, provided that in no case will the liability of any one surety exceed the maximum sum for which it is qualified for any one obligation. For subcontracts other than construction, a co-surety (two or more sureties together) may reinsure amounts in excess of their individual capacity, with each surety having the required underwriting capacity that appears on the list of acceptable corporate sureties.

(g) *Buy American.* The Contractor shall comply with the provisions of the Buy American Act as reflected in 48 CFR 52.225-1 and 48 CFR 52.225-9. The Contractor shall forward determinations of non-availability of individual items to the DOE Contracting Officer for approval. Items in excess of $500,000 require the prior concurrence of the Head of Contracting Activity. If, however, the Contractor has an approved purchasing system, the Head of the Contracting Activity may authorize the Contractor to make determinations of non-availability for individual items valued at $500,000 or less.

(h) *Construction and architect-engineer subcontracts*. (1) *Independent Estimates.* A detailed, independent estimate of costs shall be prepared for all construction work to be subcontracted that is expected to exceed the simplified acquisition threshold.

(2) *Prevention of conflict of interest.* (i) The Contractor shall not award a subcontract for construction to the architect-engineer firm or an affiliate that prepared the design. This prohibition does not preclude the award of a "turnkey" subcontract so long as the subcontractor assumes all liability for defects in design and construction and consequential damages.

(ii) The Contractor shall not award both a cost-reimbursement subcontract and a fixed-price subcontract for construction or architect-engineer services or any combination thereof to the same firm where those subcontracts will be performed at the same site.

(iii) The Contractor shall not employ the construction subcontractor or an affiliate to inspect the firm's work. The Contractor shall assure that the working relationships of the construction subcontractor and the subcontractor inspecting its work and the authority of the inspector are clearly defined.

(i) *Contractor-affiliated sources.* Equipment, materials, supplies, or services from a contractor- affiliated source shall be purchased or transferred in accordance with 48 CFR 970.4402-3.

(j) *Contractor-subcontractor relationship.* The obligations of the Contractor under paragraph (a) of this clause, including the development of the purchasing system and methods, and purchases made pursuant thereto, shall not relieve the Contractor of any obligation under this contract (including, among other things, the obligation to properly supervise, administer, and coordinate the work of subcontractors).

Subcontracts shall be in the name of the Contractor, and shall not bind or purport to bind the Government.

(k) *Government property.* The Contractor shall establish and maintain a property management system that complies with criteria in 48 CFR 970.5245-1, Property.

(l) *Indemnification.* Except for Price-Anderson Nuclear Hazards Indemnity, no subcontractor may be indemnified except with the prior approval of the Head of the Contracting Activity, in consultation with the local legal counsel.

(m) *Leasing of motor vehicles.* Contractors shall comply with 48 CFR subpart 8.11 and 48 CFR subpart 908.11.

(n) *Management, acquisition and use of information resources.* Requirements for information technology and telecommunications facilities, services, and equipment, shall be reviewed and approved in accordance with applicable DOE Orders, statutes, and regulations.

(o) *Priorities, allocations and allotments.* Priorities, allocations and allotments shall be extended to appropriate subcontracts in accordance with the clause or clauses of this contract dealing with priorities and allocations.

(p) *Purchase of special items.* Purchase of the following items shall be in accordance with the following provisions of 48 CFR subpart 8.5, 48 CFR subpart 908.71 Federal Management Regulation (41 CFR chapter 102), the Federal Property Management Regulation (41 CFR chapter 101), and the following:

(1) Motor vehicles—48 CFR 908.7101
(2) Aircraft—48 CFR 908.7102
(3) Security Cabinets—48 CFR 908.7106
(4) Alcohol—48 CFR 908.7107
(5) Helium—48 CFR subpart 8.5
(6) Fuels and packaged petroleum products—48 CFR 908.7109
(7) Coal—48 CFR 908.7110
(8) Arms and Ammunition—48 CFR 908.7111
(9) Heavy Water—48 CFR 908.7121(a)
(10) Precious Metals—48 CFR 908.7121(b)

(11) Lithium—48 CFR 908.7121(c)
(12) Products and services of the blind and severely handicapped—41 CFR 101-26.701
(13) Products made in Federal penal and correctional institutions—41 CFR 101-26.702

(q) *Purchase versus lease determinations.* The Contractor shall determine whether required equipment and property should be purchased or leased, and establish appropriate thresholds for application of lease versus purchase determinations. Such determinations shall be made—

(1) At time of original acquisition;
(2) When lease renewals are being considered; and
(3) At other times as circumstances warrant.

(r) *Quality assurance.* The Contractor shall include appropriate clauses in subcontracts related to quality assurance requirements that provide no less protection for the Government, as that required of the Contractor in the prime contract.

(s) *Setoff of assigned subcontractor proceeds.* Where a subcontractor has been permitted to assign payments to a financial institution, the assignment shall treat any right of setoff in accordance with 48 CFR 932.803.

(t) *Strategic and critical materials.* The Contractor may use strategic and critical materials in the National Defense Stockpile.

(u) *Termination.* When subcontracts are terminated as a result of the termination of all or a portion of this contract, the Contractor shall settle with subcontractors in conformity with the policies and principles relating to settlement of prime contracts in 48 CFR subparts 49.1, 49.2 and 49.3. When subcontracts are terminated for reasons other than termination of this contract, the Contractor shall settle such subcontracts in general conformity with the policies and principles in 48 CFR subparts 49.1, 49.2, 49.3 and 49.4. Each such termination shall be documented and consistent with the terms of this contract. Terminations which require approval by the Government shall be supported by accounting data and other information as may be directed by the Contracting Officer.

(v) *Unclassified controlled nuclear information.* Subcontracts involving unclassified controlled nuclear information shall be treated in accordance with 10 CFR part 1017.

(w) *Subcontract flowdown requirements.* In addition to terms and conditions that are included in the prime contract which direct application of such terms and conditions in appropriate subcontracts, the Contractor shall include the following clauses in subcontracts, as applicable:

(1) Wage rate requirements (construction), formerly known as Davis- Bacon, clauses prescribed in 48 CFR 22.407.

(2) Foreign Travel clause prescribed in 48 CFR 952.247-70.

(3) Counterintelligence clause prescribed in 48 CFR 970.0404-4(a).

(4) Service Contract Labor Standards, formerly known as Service Contract Act clauses prescribed in 48 CFR 22.1006.

(5) State and local taxes clause prescribed in 48 CFR 970.2904-1.

(6) Cost or pricing data clauses prescribed in 48 CFR 970.1504-3-1

(7) Displaced Employee Hiring Preference clause prescribed in 48 CFR 926.7104.

(8) Service Contract Reporting clause prescribed in 48 CFR 4.1705.

(9) Contract Work Hours and Safety Standards – Overtime Compensation as prescribed in 48 CFR 22.305.

(10) Paid Sick leave under Executive Order 13706 as prescribed in 48 CFR 22.2110.

(11) Collective Bargaining Agreements Management and Operating Contracts as prescribed in 48 CFR 970.2201-1-3.

(12) Workplace Substance Abuse Programs at DOE Sites as prescribed in 48 CFR 970.2305-4.

(x) *Legal services.* Contractor purchases of litigation and other legal services are subject to the requirements in 10 CFR part 719.

## I-27 FAR 52.208-8 REQUIRED SOURCES FOR HELIUM AND HELIUM USAGE DATA (APR 2002) (ADDED M0015)

(a) Definitions.

"Bureau of Land Management," as used in this clause, means the Department of the Interior, Bureau of Land Management, Amarillo Field Office, Helium Operations, located at 801 South Fillmore Street, Suite 500, Amarillo, TX 79101-3545.

"Federal helium supplier" means a private helium vendor that has an in-kind crude helium sales contract with the Bureau of Land Management (BLM) and that is on the BLM Amarillo Field Office's Authorized List of Federal Helium Suppliers available via the Internet at http://www.nm.blm.gov/www/amfo/amfo_home.html.

"Major helium requirement" means an estimated refined helium requirement greater than 200,000 standard cubic feet (scf) (measured at 14.7 pounds per square inch absolute pressure

and 70 degrees Fahrenheit temperature) of gaseous helium or 7510 liters of liquid helium delivered to a helium use location per year.

(b) Requirements --

(1) Contractors must purchase major helium requirements from Federal helium suppliers, to the extent that supplies are available.

(2) The Contractor shall provide to the Contracting Officer the following data within 10 days after the Contractor or subcontractor receives a delivery of helium from a Federal helium supplier --

(i) The name of the supplier;

(ii) The amount of helium purchased;

(iii) The delivery date(s); and

(iv) The location where the helium was used.

(c) *Subcontracts* --The Contractor shall insert this clause, including this paragraph (c), in any subcontract or order that involves a major helium requirement."

**I-28 FAR 52.222-30 DAVIS-BACON ACT—PRICE ADJUSTMENT (NONE OR SEPARATELY SPECIFIED METHOD) (DEC 2001) (ADDED M0015)**

(a) The wage determination issued under the Davis-Bacon Act by the Administrator, Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, that is effective for an option to extend the term of the contract, will apply to that option period.

(b) The Contracting Officer will make no adjustment in contract price, other than provided for elsewhere in this contract, to cover any increases or decreases in wages and benefits as a result of--

(1) Incorporation of the Department of Labor's wage determination applicable at the exercise of the option to extend the term of the contract.

(2) Incorporation of a wage determination otherwise applied to the contract by operation of law; or

(3) An increase in wages and benefits resulting from any other requirement applicable to workers subject to the Davis-Bacon Act."

**I-29 FAR 52.225-11 BUY AMERICAN ACT - CONSTRUCTION MATERIALS UNDER TRADE AGREEMENTS (NOV 2013) (ADDED M0015)**

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

"Caribbean Basin country construction material" means a construction material that--

(1) Is wholly the growth, product, or manufacture of a Caribbean Basin country; or

(2) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a Caribbean Basin country into a new and different construction material distinct from the materials from which it was transformed.

"Commercially available off-the-shelf (COTS) item"—

(1) Means any item of supply (including construction material) that is—

(i) A commercial item (as defined in paragraph (1) of the definition at FAR 2.101);

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702), such as agricultural products and petroleum products.

"Component" means an article, material, or supply incorporated directly into a construction material.

"Construction material" means an article, material, or supply brought to the construction site by the Contractor or subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site. Materials purchased directly by the Government are supplies, not construction material.

"Cost of components" means--

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty

(whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph
(1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

"Designated country" means any of the following countries:

(1) A World Trade Organization Government Procurement Agreement country (Armenia, Aruba, Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark. Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, or United Kingdom);

(2) A Free Trade Agreement country (Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Korea (Republic of), Mexico, Morocco, Nicaragua, Oman, Panama, Peru, or Singapore);

(3) A least developed country (Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan,
Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, or Zambia); or

(4) A Caribbean Basin country (Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bonaire, British Virgin Islands, Curacao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saba, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sint Eustatius, Sint Maarten, or Trinidad and Tobago).

"Designated country construction material" means a construction material that is a WTO GPA country construction material, an FTA country construction material, a least developed country construction material, or a Caribbean Basin country construction material.

"Domestic construction material" means—

(1) An unmanufactured construction material mined or produced in the United States;

(2) A construction material manufactured in the United States, if—

(i) The cost of its components mined, produced, or manufactured in the United States

exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic: or

(ii) The construction material is a COTS item.

"Free Trade Agreement country construction material means" a construction material that--

(1) Is wholly the growth, product, or manufacture of a Free Trade Agreement (FTA) country; or

(2) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a FTA country into a new and different construction material distinct from the materials from which it was transformed.

"Foreign construction material" means a construction material other than a domestic construction material.

"Least developed country construction material" means a construction material that--

(1) Is wholly the growth, product, or manufacture of a least developed country; or

(2) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a least developed country into a new and different construction material distinct from the materials from which it was transformed.

"United States" means the 50 States, the District of Columbia, and outlying areas.
"WTO GPA country construction material" means a construction material that--

(1) Is wholly the growth, product, or manufacture of a WTO GPA country; or

(2) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a WTO GPA country into a new and different construction material distinct from the materials from which it was transformed.

(b) *Construction materials*.

(1) This clause implements the Buy American Act (41 U.S.C. chapter 83) by providing a preference for domestic construction material. In accordance with 41 U.S.C. 1907, the component test of the Buy American Act is waived for construction material that is a COTS item. (See FAR 12.50-5(a)(2)). In addition, the Contracting Officer has determined that the WTO GPA and Free Trade Agreements (FTAs) apply to this acquisition. Therefore, the Buy American Act restrictions are waived for designated country construction materials.

(2) The Contractor shall use only domestic or designated country construction material

in performing this contract, except as provided in paragraphs (b)(3) and (b)(4) of this clause.

(3) The requirement in paragraph (b)(2) of this clause does not apply to information technology that is a commercial item or to the construction materials or components

listed by the Government as follows:_____[*Contracting Officer to list applicable excepted materials or indicate "none"*]

(4) The Contracting Officer may add other foreign construction material to the list in paragraph (b)(3) of this clause if the Government determines that--

(i) The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the restrictions of the Buy American Act is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent;

(ii) The application of the restriction of the Buy American Act to a particular construction material would be impracticable or inconsistent with the public interest; or

(iii) The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

(c) Request for determination of inapplicability of the Buy American Act.
(1) (i) Any Contractor request to use foreign construction material in accordance with paragraph (b)(4) of this clause shall include adequate information for Government evaluation of the request, including--

(A) A description of the foreign and domestic construction materials;

(B) Unit of measure;

(C) Quantity;

(D) Price;

(E) Time of delivery or availability;

(F) Location of the construction project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (b)(3) of this clause.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph (d) of this clause.

(iii) The price of construction material shall include all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued).

(iv) Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.

(2) If the Government determines after contract award that an exception to the Buy American Act applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer will modify the contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (b)(4)(i) of this clause.

(3) Unless the Government determines that an exception to the Buy American Act applies, use of foreign construction material is noncompliant with the Buy American Act.

(d) *Data.* To permit evaluation of requests under paragraph (c) of this clause based on unreasonable cost, the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Construction Materials Price Comparison

| Construction material description | Unit of measure | Quantity | Price (dollars) * |
|---|---|---|---|
| *Item 1* | | | |
| Foreign construction material | | | |
| Domestic construction material | | | |
| *Item 2* | | | |
| Foreign construction material | | | |
| Domestic construction material | | | |

[*List name, address, telephone number, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.*]

[*Include other applicable supporting information.*]

[* *Include all delivery costs to the construction site and any applicable duty (whether or*

*not a duty-free entry certificate is issued).]*"

## I-30 FAR 52.234-4 EARNED VALUE MANAGEMENT SYSTEM (JUL 2006) (ADDED M0015)

(a) The Contractor shall use an earned value management system (EVMS) that has been determined by the Cognizant Federal Agency (CFA) to be compliant with the guidelines in ANSI/EIA Standard - 748 (current version at the time of award) to manage this contract. If the Contractor's current EVMS has not been determined compliant at the time of award, see paragraph (b) of this clause. The Contractor shall submit reports in accordance with the requirements of this contract.

(b) If, at the time of award, the Contractor's EVM System has not been determined by the CFA as complying with EVMS guidelines or the Contractor does not have an existing cost/schedule control system that is compliant with the guidelines in ANSI/EIA Standard - 748 (current version at time of award), the Contractor shall—

(1) Apply the current system to the contract; and

(2) Take necessary actions to meet the milestones in the Contractor's EVMS plan approved by the Contracting Officer.

(c) The Government will conduct an Integrated Baseline Review (IBR). If a pre-award IBR has not been conducted, a post award IBR shall be conducted as early as practicable after contract award.

(d) The Contracting Officer may require an IBR at--

(1) Exercise of significant options; or

(2) Incorporation of major modifications.

(e) Unless a waiver is granted by the CFA, Contractor proposed EVMS changes require approval of the CFA prior to implementation. The CFA will advise the Contractor of the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the CFA, the Contractor shall disclose EVMS changes to the CFA at least 14 calendar days prior to the effective date of implementation.

(f) The Contractor shall provide access to all pertinent records and data requested by the Contracting Officer or a duly authorized representative as necessary to permit Government surveillance to ensure that the EVMS conforms, and continues to conform, with the performance criteria referenced in paragraph (a) of this clause.

(g) The Contractor shall require the subcontractors specified below to comply with the requirements of this clause: [Insert list of applicable subcontractors.]

## I-31 DELETED BY MOD 0106

## I-32 DEAR 970.5231-4 PREEXISTING CONDITIONS ALTERNATE II (DEC 2000) (DEVIATION) (ADDED M0128)

(a) The Department of Energy agrees to reimburse the Contractor, and the Contractor shall not be held responsible, for any liability (including without limitation, a claim involving strict or absolute liability and any civil fine or penalty), expense, or remediation cost, but limited to those of a civil nature, which may be incurred by, imposed on, or asserted against the Contractor arising out of any condition, act, or failure to act which occurred before the Contractor assumed responsibility on July 1, 2014. To the extent the acts or omissions of the Contractor cause or add to any liability, expense or remediation cost resulting from conditions in existence prior to July 1, 2014, the Contractor shall be responsible in accordance with the terms and conditions of this contract.

(b) The obligations of the Department of Energy under this clause are subject to the availability of appropriated funds.

(c) The Contractor has the duty to inspect the facilities and sites and timely identify to the Contracting Officer those conditions which it believes could give rise to a liability, obligation, loss, damage, penalty, fine, claim, action, suit, cost, expense, or disbursement or areas of actual or potential noncompliance with the terms and conditions of this contract or applicable law or regulation. The Contractor has the responsibility to take corrective action, as directed by the Contracting Officer and as required elsewhere in this contract.

Note: Paragraph (c) is Alternate II.

## I-33 DEAR 970.5204-3 ACCESS TO AND OWNERSHIP OF RECORDS (OCT 2014) (DEVIATION) (ADDED M0106)

(a) Government-owned records. Except as provided in paragraph (b) of this clause, all records acquired or generated by the contractor in its performance of this contract, including records series described within the contract as Privacy Act systems of records, shall be the property of the Government and shall be maintained in accordance with 36 Code of Federal Regulations (CFR), Chapter XII, -- Subchapter B, "Records Management." The contractor shall ensure records classified as Privacy Act system of records are maintained in accordance with FAR 52.224.2 "Privacy Act."

(b) Contractor-owned records. The following records are considered the property of the contractor and are not within the scope of paragraph (a) of this clause.

(1) Employment-related records (such as worker's compensation files; employee relations records, records on salary and employee benefits; drug testing records, labor negotiation records; records on ethics, employee concerns; records generated during the course of responding to allegations of research misconduct; records generated during other employee related investigations conducted under an expectation of confidentiality; employee assistance program records; and personnel and medical/health-related records and similar files), and non-employee patient medical/health-related records, except those records described by the contract as being operated and maintained by the Contractor in Privacy Act system of records.

(2) Confidential contractor financial information, 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);

(3) Records relating to any procurement action by the contractor, except for records that under 48 CFR 970.5232-3 are described as the property of the Government; and

(4) Legal records, including legal opinions, litigation files, and documents covered by the attorney-client and attorney work product privileges; and

(5) The following categories of records maintained pursuant to the technology transfer clause of this contract:

(i) ) Executed license agreements, including exhibits or appendices containing information on royalties, royalty rates, other financial information, or commercialization plans, and all related documents, notes and correspondence.

(ii) The contractor's protected Cooperative Research and Development Agreement (CRADA) information and appendices to a CRADA that contain licensing terms and conditions, or royalty or royalty rate information.

(iii) Patent, copyright, mask work, and trademark application files and related contractor invention disclosures, documents and correspondence, where the contractor has elected rights or has permission to assert rights and has not relinquished such rights or turned such rights over to the Government.

(c) Contract completion or termination. Upon contract completion or termination, the contractor shall ensure final disposition of all Government-owned records to a Federal Record Center, the National Archives and Records Administration, to a successor contractor, its designee, or other destinations, as directed by the Contracting Officer. Upon the request of the Government, the contractor shall provide either the original contractor-owned records or copies of the records identified in paragraph (b) of this clause, to DOE or its designees, including successor contractors. Upon delivery, title to such records shall vest in DOE or its designees, and such records shall be protected in accordance with applicable federal laws (including the Privacy Act) as appropriate. If the contractor chooses to provide its original contractor-owned records to the Government or its designee, the contractor shall retain future rights to access and copy such records as needed.

(d) Inspection, copying, and audit of records. All records acquired or generated by the Contractor under this contract in the possession of the Contractor, including those described at
paragraph (b) of this clause, shall be subject to inspection, copying, and audit by the Government or its designees at all reasonable times, and the Contractor shall afford the Government or its designees reasonable facilities for such inspection, copying, and audit; provided, however, that upon request by the Contracting Officer, the Contractor shall deliver such records to a location specified by the Contracting Officer for inspection, copying, and audit. The Government or its designees shall use such records in accordance with applicable federal laws (including the Privacy Act), as appropriate.

(e) Applicability. This clause applies to all records created, received and maintained by the contractor without regard to the date or origination of such records including all records acquired from a predecessor contractor.

(f) Records maintenance and retention. Contractor shall create, maintain, safeguard, and disposition records in accordance with 36 Code of Federal Regulations (CFR), Chapter XII, -- Subchapter B, "Records Management" and the National Archives and Records Administration (NARA)-approved Records Disposition Schedules. Records retention standards are applicable for all classes of records, whether or not the records are owned by the Government or the contractor. The Government may waive application of the NARA-approved Records Disposition Schedules, if, upon termination or completion of the contract, the Government exercises its right under paragraph (c) of this clause to obtain copies of records described in paragraph (b) and delivery of records described in paragraph (a) of this clause.

(g) Subcontracts.

(1) The contractor shall include the requirements of this clause in all subcontracts that contain the *Radiation Protection and Nuclear Criticality* clause at 952.223-72 , or whenever an on-site subcontract scope of work (i) could result in potential exposure to: A) radioactive materials; B) beryllium; or C) asbestos or (ii) involves a risk associated with chronic or acute exposure to toxic chemicals or substances or other hazardous materials that can cause adverse health impacts, in accordance with 10 CFR part 851. In determining its flow-down responsibilities, the Contractor shall include the requirements of this clause in all on-site subcontracts where the scope of work is performed in: (A) Radiological Areas and/or Radioactive Materials Areas (as defined at 10 CFR 835.2); (B) areas where beryllium concentrations exceed or can reasonably be expected to exceed action levels specified in 10 CFR 850; (C) an Asbestos Regulated area (as defined at 29 CFR 1926.1101 or 29 CFR 1910.1001); or (D) a workplace where hazard prevention and abatement processes are implemented in compliance with 10 CFR 851.21 to specifically control potential exposure to toxic chemicals or substances or other hazardous materials that can cause long term health impacts.

(2) The Contractor may elect to take on the obligations of the provisions of this clause in lieu of the subcontractor, and maintain records that would otherwise be maintained by the subcontractor.

**I-34 - FAR 52.216-7 Allowable Cost and Payment (OCT 2021) (NNSA CLASS DEVIATION FEB 2022) (ADDED 0182; REPLACED 0255)**

(a) Payment.

(1) The Government will make payments to the Contractor per DEAR 970.5232- 2, "Payments and Advances." The payments will only be for amounts determined to be allowable by the Contracting Officer in accordance with the:

Federal Acquisition Regulation (FAR) subpart 31.2 in effect on the date of this contract; the Department of Energy Acquisition Regulation subpart 970.31 in effect on the date of this contract; and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(b) Reimbursing costs.

(1) The Government will make payments to the Contractor per DEAR 970.5232- 2, "Payments and Advances." The payments will only be for allowable costs. For the purpose of reimbursing allowable costs (except as provided in paragraph (b)(2) of this clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only—

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for-

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made–

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government (the Government will make payments to the Contractor per DEAR 970.5232-2, "Payments and Advances");

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Indirect costs paid in accordance with the same provisions as required for direct costs as described within this section.

(iii) The amount of financing payments that have been paid by cash, check, or other forms of payment to subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until paid in accordance with DEAR 970.5232-2 Payments and Advances (OCT 2021) Alternate II (OCT 2021) Alternate IV (DEC 2000) (NNSA CLASS DEVIATION FEB 2022) paragraph (b).

(3) Notwithstanding the audit and adjustment of invoices, payments, or vouchers under paragraph (g) of this clause, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) of this clause.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) *Small business concerns*. The Government will make payments to the Contractor per DEAR970.5232-2, "Payments and Advances."

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)

(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) or to an authorized representative within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the contract auditor's results.

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

(A) Summary of all claimed indirect expense rates, including pool amount, base amount, and calculated indirect rate.

(B) *General and Administrative expenses (final indirect cost pool)*.

Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(B-1) Laboratory/Plant Directed Research & Development (LDRD or PDRD) expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(C) *Overhead expenses (final indirect cost pool)*. Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.

(D) *Intermediate indirect cost pool**s***. Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.

(E) Claimed allocation bases, by element of cost, used to distribute indirect costs.

(F) RESERVED.

(G) Reconciliation of books of account (*i.e.*, General Ledger) and claimed direct costs by major cost element.

(H) Schedule of direct costs by contract, or by a lower level of detail (e.g. Budget & Reporting (B&R) code) if required by the contracting officer, and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.

(I) Schedule of cumulative direct and indirect costs claimed at the same level of detail as provided in Schedule H.

(J) *Subcontract information*. Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the subcontractor's name, address, and point of contact information). The schedule should contain a sufficient level of detail to enable a reconciliation of actual subcontract costs incurred from Schedule J to those claimed on Schedule H (i.e. B&R level).

(K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.

(L) Reconciliation of total payroll per IRS form 941 to total labor costs

distribution.

(M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.

(N) Certificate of final indirect costs (see 52.242-4, Certification of Final Indirect Costs).

(O) Contract closing information for contracts and SPPs physically completed in this fiscal year (include contract and SPP number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General organizational information and limitation on allowability of compensation for certain contractor personnel including Executive Compensation Form. See 31.205-6(p). Additional salary reference information is available at https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedBeforeJune24.pdf and https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedafterJune24.pdf.

(C) Identification of prime contracts under which the contractor performs as a subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (*e.g.*, trial balance, compilation, review, *etc.*).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph

(G) of this section.

(I) List of all internal audit reports issued since the last disclosure of internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10-K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the cost incurred to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates. The Contracting Officer shall advise the contractor if additional adjustments or repayments are necessary.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed- upon final annual indirect cost rates,
(ii) the bases to which the rates apply, (iii) the periods for which the rates apply,
(iv) any specific indirect cost items treated as direct costs in the settlement, and
(v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled

amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime contractor is responsible for settling subcontractor amounts and rates included in the completion invoice or voucher and providing status of subcontractor audits to the contracting officer upon request.

(6)

(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may-

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) *Forward pricing rates*. Until final annual indirect cost rates are established for any period, the contractor shall use the forward pricing rates established by the Contracting Officer or by an authorized representative, subject to adjustment when the final rates are established. These forward pricing rates-

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) *Quick-closeout procedures*. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) *Audit*. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices, payments, vouchers, or statements of cost audited. Any payment may be-

(1) Reduced by amounts found by the Contracting Officer not to constitute allowable costs; or

(2) Adjusted for prior overpayments or underpayments.

(h) *Final payment*.

The Government will make final payment to the Contractor per DEAR 970.5232-2, "Payments and Advances."

(End of clause)

**I-35 FAR 52.217-8 Option to Extend Services (ADDED 0236)**

Option to Extend Services (Nov 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within *30 days of contract expiration*.

**I-36 DELETED BY MOD 0291**

**I-37 FAR 52.242-4 Certification of Final Indirect Costs (Jan 1997) (ADDED 0255)**

(a) The Contractor shall-

(1) Certify any proposal to establish or modify final indirect cost rates;

(2) Use the format in paragraph (c) of this clause to certify; and

(3) Have the certificate signed by an individual of the Contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the Contractor that submits the proposal.

(b) Failure by the Contractor to submit a signed certificate, as described in this clause, may result in final indirect costs at rates unilaterally established by the Contracting Officer.

(c) The certificate of final indirect costs shall read as follows:

Certificate of Final Indirect Costs

This is to certify that I have reviewed this proposal to establish final indirect cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal (identify proposal and date) to establish final indirect cost rates for (identify period covered by rate) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and

2. This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements.

Firm: _____

Signature: _____

Name of Certifying Official: _____

Title: _____

Date of Execution: _____

(End of clause)

**I-38 DEAR 970.5203-1 Management Controls (JUN 2007) (ADDED 0255)**

(a)

(1) The Contractor shall be responsible for maintaining, as an integral part of its organization, effective systems of management controls for both administrative and programmatic functions. Management controls comprise the plan of organization, methods, and procedures adopted by management to reasonably ensure that: the mission and functions assigned to the Contractor are properly executed; efficient and effective operations are promoted including consideration of outsourcing of functions; resources are safeguarded against waste, loss, mismanagement, unauthorized use, or misappropriation; all encumbrances and costs that are incurred under the contract and fees that are earned are in compliance with applicable clauses and other current terms, conditions, and intended purposes; all collections accruing to the Contractor in connection with the work under this contract, expenditures, and all other transactions and assets are properly recorded, managed, and reported; and

financial, statistical, and other reports necessary to maintain accountability and managerial control are accurate, reliable, and timely.

(2) The systems of controls employed by the Contractor shall be documented and satisfactory to DOE.

(3) Such systems shall be an integral part of the Contractor's management functions, including defining specific roles and responsibilities for each level of management, and holding employees accountable for the adequacy of the management systems and controls in their areas of assigned responsibility.

(4) The Contractor shall, as part of the internal audit program required elsewhere in

this contract, periodically review the management systems and controls employed in programs and administrative areas to ensure that they are adequate to provide reasonable assurance that the objectives of the systems are being accomplished and that these systems and controls are working effectively. Annually, or at other intervals directed by the Contracting Officer, the Contractor shall supply to the Contracting Officer copies of the reports reflecting the status of recommendations resulting from management audits performed by its internal audit activity and any other audit organization. This requirement may be satisfied in part by the reports required under paragraph (i) of 48 CFR 970.5232-3, Accounts, Records, and Inspection.

(b) The Contractor shall be responsible for maintaining, as a part of its operational responsibilities, a baseline quality assurance program that implements documented performance, quality standards, and control and assessment techniques.

(End of clause)

# PART III – LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

## SECTION J

## LIST OF APPENDICES

(Replaced or Modified: 0015, 0018, 0043, 0045, 0050, 0052, 0075, 0084, 0090, 0091, 0094, 0101, 0104, 0111, 0114, 0117, 0118, 0128, 0133, 0151, 0154, 0157, 0162, 0165, 0166, 0170, 0171, 0175, 0177, 0181, 0185, 0191, 0199, 0201, 0203, 0209, 0210, 0211, 0215, 0221, 0229, 0238, 0241, 0246, 0262, 0269, 0273, 0276, 0285, 0299, 0300, 0303)

# PART III – LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

## SECTION J

## LIST OF APPENDICES

## TABLE OF CONTENTS


| | |
|---|---|
| Appendix A | Statement of Work (Replaced 0015, 0154, 0170 Modified 0018, 0075, 0104, 0185, 0191, 0201, 0276) |
| Appendix B | Performance Evaluation and Measurement Plans (Replaced 0015, 0201; Added: 0045-FY15 PEP; 0052- FY16 PEP, 0075-UPF PEP; 0084-FY17 PEP; 0118-FY18 PEP; 0162-FY19 PEP; 0177-FY20 PEP; 0211-FY21 PEMP; 0246-FY22 PEMP; 0276-FY22-FY23 PEMP; 0285-FY23 PEMP REV1; 0299-FY23 PEMP REV2; 0303-FY24 PEMP ) |
| Appendix C | Transition Plan (Replaced 0015) |
| Appendix D | Merger Transformation Plan (Inserted 0050; 0121, 0133, 0165) |
| Appendix E | Performance Guarantee Agreement(s) (Replaced 0015, 0090, 0165) |
| Appendix F | Work Breakdown Structure |
| Appendix G | Uranium Processing Facility (UPF) Project Management Plan (Replaced 0015, 0075, 0201) |
| Appendix H | Interface Management Plan |
| Appendix I | Personnel Appendix (Added 0018, 0114, 0128, 0269, 0285, 0300) |
| Appendix J | Key Personnel (Replaced 0015, 0045, 0084, 0091, 0128, 0157, 0175, 0191, 0199, 0211, 0215, 0221, 0285, 0303) |
| Appendix K | Small Business Subcontracting Plan (Added: 0045-FY15 Goals; 0052- FY16 Goals, 0084-FY17 Goals, 0157-FY19 Goals; 0191-FY20 Goals; 276-FY21,FY22, FY23 Goals; 0303-FY24 Goals) |
| Appendix L | Diversity Plan Guidance |
| Appendix M | Institutional Cost Reporting |
| Appendix N | List of Applicable Directives (Replaced 0015, 0034, 0045, 0094, 0101, 0111, 0117, 0151, 0166, 0171, 0209, 0210, 0221, 0229, 0238, 0241, 0262, 0273, 0285, 0303) |
| Appendix O | Program Management and Cost Reports |
| Appendix P | Special Financial Institution Agreement For Use With The Payments-Cleared Financing Arrangement (Replaced 0015, 0045, 0229) |
| Appendix Q | Minimum Standards for Contractors' Conflict of Interest (COI) Plans |
| Appendix R | List of Contracting Officer's Representatives (Replaced 0015, 0045, 0084, 0128, 0157, 0175, 0181, 0191, 0203, 0221, 0241, 0276, 0303) |
| Appendix S | Reserved |
| Appendix T | Davis Bacon Wage Determinations (Added 0162) |
| Appendix U | Annual Fee Baseline Process Framework (Added 0269) |

# SECTION J

# APPENDIX A

# STATEMENT OF WORK

**SECTION J**
**APPENDIX A**
**STATEMENT OF WORK**

# Table of Contents

CHAPTER I. Objectives, Scope, and Requirements ..... 1

**1.0 OBJECTIVE** ..... 1
**2.0 BACKGROUND** ..... 2
**2.1 The NNSA Mission** ..... 2
**2.2 The NNSA Organization** ..... 2
**2.3 Becoming an Enterprise** ..... 2
**2.4 Location of Performance** ..... 3
**3.0 SCOPE** ..... 3
**3.1 Mission** ..... 4
**3.2 Merging of Operations** ..... 5
**3.3 Scope and Financial Management** ..... 5
**3.4 Enterprise Success** ..... 6
**4.0 ADMINISTRATIVE AND TECHNICAL REQUIREMENTS** ..... 7
**4.1 Integrated Safety Management (ISM), Integrated Safeguards and Security Management (ISSM), Environmental Management System (EMS), and Quality Assurance Systems (QAS)** ..... 7
**4.2 Work Authorization (WA) System** ..... 7
**4.3 Information Technology (IT)** ..... 7
**4.4 Governance** ..... 8
**4.5 Contractor Human Resources** ..... 10
**4.6 Environmental Permits and Applications** ..... 10
**4.7 Defense Nuclear Facilities Safety Board and Other Government Agencies Support and Liaison** ..... 11
**4.8 Interfaces with Other Site Users** ..... 11
**4.9 Privacy Act System of Records** ..... 12
**4.10 Cost Reduction** ..... 12

CHAPTER II. Work Scope Structure ..... 13

**1.0 PROGRAMS** ..... 13
**1.1 Defense Programs** ..... 13
**1.2 Other NNSA Work** ..... 17
**1.3 Strategic Partnership Projects/Other Reimbursable Work** ..... 19
**2.0 FUNCTIONAL SUPPORT** ..... 19
**2.1 General Support** ..... 19
**2.2 Mission Support** ..... 19
**2.3 Site** Specific Support ..... 20

CHAPTER III. Human Resources ..... 21

**1.0 DEFINITIONS** ..... 21
**2.0 WORKFORCE TRANSITION** ..... 21
**2.1 Staffing Plan** ..... 21
**2.2 Pay & Benefits** ..... 21
**2.3 Incumbent Employees Right of First Refusal** ..... 22

**2.4 Advance Understanding on Human Resources** ..... 22
**3.0 COMPENSATION** ..... 23
**3.1 Total Compensation System** ..... 23
**3.2 Cash Compensation** ..... 23
**3.2.1 Additional Compensation System Self-Assessment Data** ..... 24
**3.2.2 Proposed Major Compensation Program Design Changes** ..... 24
**3.2.3 Annual Compensation Increase Plan (CIP)** ..... 24
**3.2.4 Compensation Actions for All Key Personnel** ..... 25
**3.2.5 Incentive Compensation Plan** ..... 25
**3.2.6 Assignments Outside of Normal Duty Station** ..... 26
**3.2.7 Contractor's Total Compensation System** ..... 26
**3.2.8 Human Resources Plan** ..... 26
**3.3 Reports and Information: Compensation** ..... 26
**4.0 BENEFITS** ..... 28
**4.1 Assumption of Existing Pension Plan** ..... 28
**4.2 Reports and Information: Benefits** ..... 30
**4.3 Workers' Compensation** ..... 30
**4.4 Pension Plans** ..... 30
**4.5 Pension Management Plan** ..... 35
**5.0 LABOR RELATIONS** ..... 39
**6.0 WORKFORCE PLANNING** ..... 40
**6.1 Workforce Planning - General** ..... 40
**6.2 Reductions in Contractor Employment – Workforce Restructuring** ..... 40
CHAPTER IV. Uranium Processing Facility (UPF) ..... 42
**1.0 INTRODUCTION** ..... 42
**2.0 BACKGROUND** ..... 42
**3.0 ACQUISITION STRATEGY** ..... 42
**4.0 ROLES OF THE DESIGN AUTHORITY AND DESIGN AGENT** ..... 42
**5.0 DESIGN CODE OF RECORD** ..... 43
**6.0 FUNCTIONAL ORGANIZATION** ..... 44
**7.0 GOALS AND OBJECTIVES** ..... 44
**8.0 PROJECT DESCRIPTION** ..... 45
**9.0 PROJECT GOALS AND MILESTONES** ..... 46
**10.0 COST REQUIREMENTS** ..... 47
**11.0 PROJECT DELIVERABLES** ..... 47

## CHAPTER I. Objectives, Scope, and Requirements

### 1.0 OBJECTIVE

The objective of this Contract is to obtain nuclear production services to support National Nuclear Security Administration (NNSA) and broader national security requirements. This objective includes obtaining services to meet the production requirements derived from the nuclear weapons stockpile plan updated and released by the President of the United States annually. The Contractor shall be fully responsible for high-hazard enriched uranium, special nuclear material (SNM), high-explosive and nuclear weapon assembly/disassembly functions to support NNSA Stockpile Stewardship and Management Program activities directed by the Office of Defense Programs (DP). The Contractor shall function as the single integrating contractor for scheduling parts and performing material logistics within the Nuclear Security Enterprise (NSE). The Contractor shall provide a single management structure and interface to the Government for integrating production across the NSE.

NNSA tritium supply management functions are also included in Contractor responsibilities if this option is exercised. Furthermore, the Contractor shall directly support the NNSA Offices of Naval Reactors and Nuclear Non-Proliferation in addition to other Department of Energy (DOE) offices. Beyond DOE/NNSA, the Contractor shall provide unique services to ongoing missions for other Government agencies or privately owned organizations on a non-interference basis with the DOE/NNSA workload.

This statement of work includes two Contract Line Item Numbers (CLINs). CLIN 0001 covers the management and operation of Pantex and Y-12 for the initial five-year base with sub-CLINs for three option periods, transition of SRTO, and inclusion of SRTO, respectively. CLIN 0002 covers the Uranium Processing Facility (UPF) at Y-12.

In addition to achieving Presidential goals outlined in the April 2010 Nuclear Posture Review, this Contract will fully support the DOE and NNSA Strategic Plans and will strengthen NNSA's vision for a fully integrated and interdependent Nuclear Security Enterprise (NSE), consisting of all eight NNSA sites, by achieving the following four specific objectives:

(i) Improving performance in the completion of national security missions for nuclear production operations;

(ii) Transitioning and merging operations at geographically-dispersed centers of excellence for: nuclear weapon assembly/disassembly; enriched uranium; SNM; high-explosive production; and, tritium supply management under a single Contract;

(iii) Reducing the cost of performing work; and

(iv) Requiring actions that support operation as an integrated DOE/NNSA enterprise.

This Contract does not affect the physical location of nuclear production center of excellence designations at the respective sites.

# 2.0 BACKGROUND

## 2.1 The NNSA Mission

The NNSA, established by Congress per the NNSA Act (Title XXXII of the National Defense Authorization Act for Fiscal Year 2000, Public Law 106-65) as a semiautonomous element within DOE, is responsible for the management and security of the nation's nuclear weapons, non-proliferation, and naval propulsion programs. It also responds to nuclear and radiological emergencies in the United States and abroad, and NNSA federal agents provide safe and secure transportation of nuclear weapons, components and special nuclear materials.

## 2.2 The NNSA Organization

NNSA relies on Management and Operating (M&O) Contractors to manage day-to-day site operations and to adhere to its policies when operating its laboratories, production plants, and other facilities in the NSE. Together, the M&O Contractors implement NNSA's all-encompassing Stockpile Stewardship Program managed by Defense Programs that includes operations associated with surveillance, assessment, maintenance, refurbishment, manufacture and dismantlement of the nuclear weapons stockpile as well as research, development and certification efforts.

## 2.3 Becoming an Enterprise

Overall, the NNSA needs to carry out its mission within research, development, and manufacturing organizations that are safe, secure, integrated, efficient, and cost effective. Work must be aligned with requirements received from key customers in a manner that strives to retain the intellectual excellence and key infrastructure capabilities demanded by national interests.

Throughout the 1990s, the DOE/NNSA took steps to consolidate to its current configuration of three national laboratories, four production plants, and a nuclear test site. In an evaluation of the NSE completed in October 2008, NNSA published a Supplemental Programmatic Environmental Impact Statement (SPEIS) that analyzed alternatives for transforming the complex into a smaller more efficient enterprise that responds to changing national security challenges and ensures the long-term safety, security, and reliability of the nuclear weapons stockpile. Two Records of Decision (RODs) informed by this SPEIS were published in December 2008.

While the RODs look at transforming the physical infrastructure, other initiatives have been undertaken to improve management and business practices. Two councils have been formed: one among the Contractor senior management and another among the federal site managers. The main function of these councils is to improve the integration and communication within the enterprise. Also, governance reform is an NNSA management initiative that focuses on developing a partnering relationship between the federal team and the supporting M&O Contractors.

**2.4 Location of Performance**

The three sites under this Contract are:

2.4.1 Y-12 National Security Complex (Y-12): Y-12 is a Government-owned site located in Oak Ridge, Tennessee, on approximately 800 acres within the 34,000 acre Oak Ridge Reservation. The NNSA facilities at Y-12 consist of over 350 buildings with approximately 5,800,000 gross square feet (gsf). Another 1,730,000 gsf are facilities that are the responsibility of the Office of Science, Office of Nuclear Energy, or the Office of Environmental Management.

2.4.2 Pantex Plant (PX): PX is a Government-owned site located near Amarillo, Texas, on approximately 10,500 acres at Pantex Plant proper and 1,100 acres of detached property called Pantex Lake, approximately 2.5 miles northeast of the main plant site. In addition, PX leases 5,800 acres south of the plant as a security buffer and owns approximately 1,526 acres of land east of FM2373 that provides an additional security buffer and is being used primarily for agriculture and location of the Pantex Wind Farm. The total acreage under Federal control is approximately 17,400 acres. The facilities on the site consist of 638 buildings comprising approximately 3,110,000 gsf.

2.4.3 Savannah River Tritium Operations (SRTO): SRTO is within the Savannah River Site (SRS), which is a Government-owned Environmental Management site located in south-central South Carolina and occupies approximately 198,420 acres in Aiken, Barnwell, and Allendale Counties. SRS is approximately 15 miles southeast of Augusta, Georgia, and 12 miles south of Aiken, South Carolina. The NNSA SRTO consists of approximately twenty-nine acres centrally located within the site. The SRTO facility is comprised of 32 buildings consisting of approximately 377,809 gsf.

## 3.0 SCOPE

This Contract is comprehensive with an objective to perform all necessary operational, coordination, and management functions at Y-12, PX, and SRTO (should this option be exercised) required to support NNSA and broader national security missions assigned to these sites. This includes but is not limited to all ongoing missions and functions, as well as those that may be assigned during the term of the Contract. It further includes all infrastructure management and maintenance; information technology; human resource management including critical skills recruitment and retention; environmental management; health, safety and security systems; and purchasing and other administrative systems.

In the execution of this Contract, and particularly program integration, the Contractor shall meet rigorous quality and reliability standards essential for the U.S. nuclear deterrent; maintain sufficient production capacity and produce at rates defined in planning documents; and implement flexible production management and execution processes to accommodate a dynamic national security environment. The Contractor shall balance risk management and cost reduction initiatives to provide increased value to the Government. This applies both internally to this Contract and to improving the overall cost efficiency of the NSE.

The Contractor shall be fully responsible and accountable for the safe and secure accomplishment of all work, whether performed by its own personnel or team members, including subcontractors. The Contractor shall be responsible for planning and coordinating production schedules; integrating, managing and executing the programs; supporting and executing large and small projects; and completing operations and other activities as described in this Statement of Work.

**3.1 Mission**

The Contractor shall safely and securely complete all mission responsibilities and improve performance in the completion of national security missions for nuclear production operations and all other national security missions, as applicable. NNSA has a Work Breakdown Structure (WBS) that is discussed further in Section J, Appendix F, Work Breakdown Structure. At a minimum, the Contractor shall:

(i) Sustain the necessary workforce and exercise essential capabilities for: nuclear weapon assembly/disassembly, enriched uranium and lithium, SNM, high-explosive production, and tritium supply management centers of excellence;

(ii) Maintain authorization basis for high-hazard operations;

(iii) Operate high-hazard chemical processing facilities and systems within approved authorization basis;

(iv) Assure the availability of core capabilities, regardless of stockpile size;

(v) Implement and oversee the nuclear explosive and weapons surety program to include nuclear weapon/nuclear explosive safety, security and use control;

(vi) Sustain and modernize the infrastructure;

(vii) Interface with and support other contractors performing work at any of the sites;

(viii) Balance available resources to meet mission requirements and infrastructure sustainment while maintaining safe, secure, environmentally compliant and responsive operations; and

(ix) Effectively partner with other Contractors within the NSE to manage the master schedule for all production activities and be responsible for the execution of uranium, SNM, high explosives, nuclear weapons assembly/ disassembly, dismantlement, and surveillance functions in support of the Stockpile Stewardship Program. In performing this responsibility, issues between the NSE contractors will be brought to Defense Programs management for resolution.

### 3.2 Merging of Operations

The Contractor shall merge operations, in accordance with Section J, Appendix D, Merger Transformation Plan, at geographically-dispersed centers of excellence for: nuclear weapon assembly/disassembly; enriched uranium; SNM; high-explosive production; and, tritium supply management (if exercised by option) under a single Contract. At a minimum, the Merger Transformation Plan shall describe how the Contractor will:

(i) Manage merger of operations without negatively impacting mission;

(ii) Ensure critical skills necessary to maintain capabilities;

(iii) Identify and streamline redundant technical and business operations across the sites under this Contract;

(iv) Incorporate governance (Section J, Appendix A, Chapter I, 4.4); and

(v) Maintain relationships and regulatory interfaces, and assume responsibility for permits with local, State and Federal entities, other DOE offices, and stakeholders.

### 3.3 Scope and Financial Management

The Contractor shall support the DOE/NNSA Planning, Programming, Budgeting and Evaluation (PPBE) process. In supporting PPBE, the Contractor shall provide financial data for Government systems, such as:

- Standard Accounting and Reporting System (STARS)
  - STARS information is provided under the Institutional Cost Reporting Categories
- iMANAGE
- Enterprise Portfolio Analysis Tool (EPAT)
  - The EPAT information shall be collected in accordance with the Work Breakdown Structure (WBS) (see Section J, Appendix F)
- Facilities Information Management System (FIMS)

The Contractor shall maintain financial cost reporting systems to provide detailed cost reports for cost, scope, and schedule for direct and indirect costs for all work performed under this Contract. The cost reports shall include labor costs, leave/hours not worked, staff augmentation, fringe, pension, legacy, materials, services-subcontractors, direct service centers, other expenses, capital, labor category, and full-time equivalent (FTE) resource usage for all direct and indirect costs and utilize cost benefit analyses to determine the appropriate level of support functions and risks. The Contractor shall provide NNSA transparency into those financial cost reporting systems and shall provide routine reports to allow NNSA visibility into program and cost management supporting reports to external sources (see Section J, Appendix O). The Contractor's financial cost reporting systems shall support the DOE STARS, iMANAGE, EPAT and support systems, such as FIMS, as well as other Government systems as they are developed and implemented.

The NNSA will provide the initial cost information, FTE data and scope framework on the effective date of the Contract. The Contractor shall develop a baseline for all Contractor direct programs and indirect support costs in accordance with DOE institutional cost reporting categories as found in Section J, Appendix M, Institutional Cost Reporting, and utilize the WBS reporting structure for further program granularity, as applicable and as it continues to develop within NNSA. The baseline shall include cost, scope of work, and schedule with a change control process. Baselines will be utilized for implementing the cost reduction features under this Contract. The baseline will be reviewed and approved annually by the Contracting Officer.

The Contractor shall have in place tools to: 1) manage mission and indirect changes in scope, cost, and schedule; 2) compare actual costs of work performed (ACWP) to budgeted costs of work performed (BCWP); 3) accurately forecast estimated costs to complete (ETC) and estimated total costs at completion (EAC); and 4) document deviations from the baselines described above in this paragraph and, on a timely basis, notify the Contracting Officer of such changes. The Contractor shall not make retroactive changes to records pertaining to work performed that will change previously- reported costs, except for correction of errors and routine accounting adjustments and not make retroactive changes for funding fluctuations or revisions in EAC.

**3.4 Enterprise Success**

The Contractor shall participate with NNSA and other NNSA M&O Contractors as part of an "enterprise organization" to evaluate, plan, develop and implement strategic initiative activities that optimize mission and business operations across the NSE. The goal of these initiatives is to increase the efficiency and cost effectiveness from a business and mission perspective, to include:

- Reduced operational costs enterprise-wide,
- More consistent work practices and operational processes,
- Better pricing, better products, more timely delivery,
- Reduced administrative costs and lead times for both the Contractor and the DOE/NNSA,
- Greater standardization and interchangeability across the NSE; and
- Increased awards to small business entities.

NNSA expects these and other initiatives to result in a shift to an enterprise focus, based on the Contractor who possesses the most expertise and experience level within the NSE.

The Contractor shall cooperate with NNSA and NSE Contractors in identifying potential cross-NSE benefits to be derived from implementing common practices and goals across the NSE in the areas of mission workload and enterprise functional support.

The Contractor and NNSA shall establish performance incentives with performance measures and targets for strategic efforts that result in enterprise performance improvement overall for the Government.

## 4.0 ADMINISTRATIVE AND TECHNICAL REQUIREMENTS

### 4.1 Integrated Safety Management (ISM), Integrated Safeguards and Security Management (ISSM), Environmental Management System (EMS), and Quality Assurance Systems (QAS)

The Contractor shall ensure that ISM, ISSM, EMS, and QAS are integrated into its operations and that its Contractor Assurance System (CAS) reflects Contractor integrated performance related to these systems.

### 4.2 Work Authorization (WA) System

Specific work requirements under this Contract will be established annually and updated as needed by the Contracting Officer in accordance with the applicable DOE Order and the Contract's Section I Clause entitled "DEAR 970.5211-1, Work Authorization."

### 4.3 Information Technology (IT)

The NNSA seeks to optimize the efficiency of the NSE through the NNSA Network Vision (2NV) that seeks to consolidate IT infrastructure/services and eliminate redundant systems, to increase efficiency through mobility and cloud computing, and to improve business processes to better integrate across sites. To accomplish these goals, the Contractor must evaluate feasibility of removing redundant systems by completing a careful examination of existing systems and architecture across the sites to develop a single, integrated "to-be" vision that utilizes the best available technologies and management practices from both Government and commercial sources to improve and achieve performance excellence, including fiscal efficiency. With respect to production, these efforts shall include, but are not limited to, the implementation of multi-site, integrated manufacturing based information systems that support weapons production, special nuclear material (SNM) accountability, production scheduling and flow, surveillance, weapon retirement, process knowledge archiving, and preservation of production and certification records. Desktop and back-office computing capabilities should be compatible with those used by NNSA entities. Back-office functions shall include, but not be limited to, payroll, finance, project management, human resources, etc.

The Contractor shall deliver, within 180 days of the Base Term, a draft "to-be" architecture and information technology transition plan that integrates production and business systems at Pantex and Y-12, and further considers integration of SRTO as directed by the Government in a manner that is consistent with the overall enterprise and yields the best value to the Government. This plan shall present a cost and schedule baseline against which performance can be measured. Specifically, the plan must address network consolidation to generate cost efficiencies, mobility to replace manual processes and facilitate a mobile work environment, data center consolidation to generate energy savings, and cloud computing to improve business agility. In addition, the plan must consider (where feasible) replacement of legacy applications with Commercial Off the Shelf (COTS) systems, elimination of redundant IT systems, and collection of data in accordance with DOE or industry standards to improve NSE interoperability.

If the Contractor plans to offer an IT deliverable that is not Internet Protocol version 6 (IPv6) and Homeland Security Presidential Directive (HSPD)-12 compatible, the Contractor agrees to (1) obtain the Contracting Officer's approval before starting work on the deliverable; and (2) provide a migration path and firm commitment to upgrade to IPv6 and HSPD-12 compatibility for all application and product features.

The Contractor, prior to using any Contractor-owned software and systems where reimbursement is expected, shall request approval by the Contracting Officer. The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, paid-up license by or for the Government, in any Contractor-owned software and systems brought in and used. Said license shall be limited to the continued nuclear production work by successor Contractors.

## 4.4 Governance

Governance is the system of management and controls exercised in the stewardship of the organization. The governance system shall be consistent with NNSA governance documents (DOE Order 226.1B included in Section J, Appendix N, List of Applicable Directives).

Contractors must self govern and deliver mission results in a safe and secure manner. The Contractor shall implement governance through a collaborative partnership with NNSA to form the self-governance framework by which the mission is accomplished in an effective and efficient manner. The governance framework invokes trust and confidence between parties, defines expectations and authorities and verifies performance by utilizing objectives, requirements, assessments, metrics and rewards. The Contractor will focus on NNSA transformation activities that maximize the ability to complete the mission in a way that ensures effective and efficient stewardship of the taxpayers' money. The Contractor shall streamline operations and reduce costs to maximize mission accomplishment through a common understanding of expectations and performance accountability, supported by a strong Contractor Assurance System (CAS). The Contractor shall have a CAS as a subordinate and supporting feature of Governance as described in 4.4.1 below.

**4.4.1 Contractor Assurance System**: The Contractor shall have a Contractor designed and utilized system to manage performance consistent with Contract requirements. The CAS shall be a primary tool used by Contractor management to measure and improve performance, ensure that mission objectives and Contract requirements are met; ensure that workers, the public and the environment are protected; and ensure that operations, facilities, and business systems are efficiently and effectively operated and maintained. An effective CAS integrates Contractor management, supports corporate parent governance and facilitates Government oversight systems as described in DOE Order 226.1B. NNSA oversight shall not be relied upon by the Contractor as the primary feedback in assessing its performance. The Contractor is fully accountable for performing its own assessment of these areas.

**4.4.2 Standards and Directives Reform:** The Contractor shall submit a plan within 180 days after start of Base Term that identifies standards (e.g., ISO 9001, 14001, 18001, or other international or industry standards) to be utilized to replace other DOE requirements and provide the ability for the Contractor to operate with industry best practices. The plan shall describe how quickly the Contractor will achieve ISO certifications or other recommended standards but commit to completion no later than by the end of the second year of the Base Term. In addition, the Contractor, as part of its governance, shall continuously evaluate and examine DOE directives, orders, and requirements to propose needed exemptions or modifications to allow the Contractor to operate in the most effective and efficient manner and to assist in delivering cost savings to the Government.

**4.4.3 Parent Organization(s):** The Contractor, through its Parent Organizations, shall develop, at a date agreed upon by the Contracting Officer and the Contractor, a multi-year strategy and oversight plan that details (1) its planned efforts and expected accomplishments by year, to continuously improve its management and performance, and (2) the planned efforts and contributions of its Parent Organizations. The Contractor shall also provide an Oversight Plan from its Governing Board (if applicable), which shall be submitted prior to each fiscal year for Contracting Officer approval. The Plan shall identify the Board's annual activities to: (1) monitor the Contractor's performance of Statement of Work activities including CAS performance and (2) to assist the Contractor in meeting NNSA's mission and operational requirements. Elements of the plan may be incorporated into the Contractor's Performance Evaluation Plan. The utilization of Parent Organization experts via the Board's activities, which are defined herein as employees of Parent Organization(s), is encouraged for the purpose of achieving improvement in management and performance to resolve deficiencies identified through the Board's oversight or unusual issues encountered in site operations. TheBoard shall conduct periodic briefings throughout the annual rating period to NNSA management relating their oversight activities against the Plan and effects on production plant performance.

The Contractor is encouraged to identify opportunities for the use of parent corporate systems and corporate home and branch office personnel for site operations for the purposes of monitoring plant performance, assisting the plant in meeting its mission and operational requirements, streamlining the Contractor's administrative and business systems, improving performance, and adapting private sector expertise to plant issues.

The term "systems" means any discrete process, procedure, program, document or instrument where cost of use under this Contract can be identified and quantified to the parent corporation.

The Contractor, prior to using any parent corporate systems or home and branch office personnel where reimbursement is expected, shall submit a plan for review and approval by the Contracting Officer. In reviewing the plan, the Contracting Officer will consider the extent to which each separate element of

the plan is more efficient and represents an overall cost savings to the Government versus existing site systems, assists the parent corporation or the Contractor in monitoring plant performance and in meeting mission and operational requirements or brings value-added expertise to plant issues. The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, paid-up license by or for the Government, in any Contractor-owned software and systems brought in and used. Said license shall be limited to the continued nuclear production work by successor Contractors.

**4.4.4 Performance Evaluation Plan:** The Contractor shall participate in the formulation of Performance Evaluation Plans (PEP) that covers a defined period of time. The PEP shall include performance objectives, goals and measures.

**4.4.5 Performance Metrics:** The Contractor shall propose a list of performance metrics that provide Contractor and NNSA management an overall assessment of the "health of the operation" quickly and accurately. Once established, the metrics shall be part of the CAS and be provided with transparency to aid in the identification and understanding of significant performance issues.

## 4.5 Contractor Human Resources

The Contractor shall have the flexibility to restructure the workforce and make changes to employee benefits throughout the term of the Contract, as may be permitted by this Contract and applicable law, to maximize efficiencies. The Contractor shall be responsible for identification and maintenance of critical skills and for the employment of all professional, technical, skilled, and other personnel engaged and to be engaged by the Contractor in the work hereunder, and for the training of personnel, including apprentice programs. Persons employed by the Contractor or its subcontractors or consultants shall not be deemed employees of the Government. The Contractor shall follow the Human Resources (HR) requirements pertaining to workforce transition and management in accordance with Section J, Appendix A, Chapter III, Human Resources.

## 4.6 Environmental Permits and Applications

In recognition of the Contractor's responsibility to operate in compliance with all applicable environmental requirements, the Contractor is responsible for signing environmental permits and applications as "operator or co-operator" at the sites.

(i) If bonds, insurance, or administrative fees are required as a condition for such permits, such costs shall be allowable. In the event that such costs are determined by NNSA to be excessive or unreasonable, NNSA shall provide the regulatory agency with an acceptable form of financial responsibility.

(ii) The Contractor shall accept, in its own name, service of notices of violations or alleged violations (NOVs/NOAVs) issued by Federal or State regulators to the Contractor resulting from the Contractor's performance of work under this Contract, without regard to liability. The allowability of the costs associated with fines and penalties shall be subject to clauses of this Contract. The Contractor shall notify the Contracting Officer promptly when it receives service from the regulators of NOVs/NOAVs and fines and penalties. Nothing stated above shall affect the

Contractor's right to challenge or contest the applicability or validity of such NOVs/NOAVs and fines and penalties.

(iii) In the event of termination or expiration of this Contract, NNSA will require the new Contractor to accept transfer of all environmental permits executed by the Contractor.

(iv) For SRTO, if this option is exercised, the Contractor shall be responsible for becoming a party to all regulatory compliance agreements, and licenses and permits issued by any federal, state or local regulatory agency associated with the Statement of Work under this Contract, including those previously executed.

(v) When providing NNSA with documents that are to be signed or co-signed by NNSA, the Contractor will accompany such document with a certification statement, signed by the appropriate Contractor corporate officer, attesting to NNSA that the document has been prepared in accordance with all applicable requirements and the information is, to the best of its knowledge and belief, true, accurate, and complete.

**4.7 Defense Nuclear Facilities Safety Board and Other Government Agencies Support and Liaison**

The Contractor shall support NNSA in interfacing with various Government agencies such as the Defense Nuclear Facilities Safety Board (DNFSB), Department of Defense and state regulatory agencies.

The Contractor shall conduct activities in accordance with the applicable DOE directive and guidance on interface with the DNFSB. The Contractor shall be accountable for ensuring that subcontractors at any tier adhere to these requirements.

**4.8 Interfaces with Other Site Users**

Within the three sites, there are multiple Contractors responsible for a variety of broad-based programs. Within 90 calendar days after the start of transition for the Base Term and if the option for SRTO is exercised, within 60 calendar days after the start of transition, the Contractor shall submit, for NNSA approval, an Interface Management Plan (IMP) for the affected sites to identify and manage site interfaces/services between DOE, NNSA, DOE/NNSA Contractors, and tenant entities engaged in onsite activities. The IMP should identify any costs related to other site users. The IMP shall also address security in accordance with Section J, Appendix A, Chapter II, 1.2.5, Defense Nuclear Security. The Contractor IMP(s) will become part of the Contract as Section J, Appendix H, Interface Management Plan. For the sites, services that require interface agreements shall be provided in accordance with existing or newly developed memoranda of understanding or other appropriate agreements. The Contractor will provide input to the Nuclear Production Site Office regarding effective support toward common site security and operational objectives. The Government will not consider such input if one contractor has any potential Organizational Conflict of Interest with the other contractor.

**4.9 Privacy Act System of Records**

The Contractor shall design, develop, and maintain a system of records on individuals to accomplish an agency function in accordance with the Contract's Section I Clause entitled "FAR 52.224-2, Privacy Act." The applicable systems of records are available on the Federal Register. A list of applicable records will be finalized after contract award.

**4.10 Cost Reduction**

The Contractor shall submit a Cost Reduction Proposal (CRP) in accordance with the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction".

# CHAPTER II. Work Scope Structure

## 1.0 PROGRAMS

The Contactor shall support the following program activities:

### 1.1 Defense Programs

**1.1.1 Directed Stockpile Work (DSW):** The DSW program is responsible for maintaining and enhancing the safety, security, and reliability of the U.S. nuclear weapons stockpile without using underground testing. To meet this goal, DSW provides nuclear warheads and bombs to the Department of Defense (DoD) in accordance with the President's Nuclear Weapons Stockpile Plan. The Plan directs the number and type of weapons that the United States needs to maintain to ensure a credible deterrent. DSW includes weapons and production support programs. These programs are performed to achieve stockpile evaluation, stockpile maintenance, and nuclear weapons assembly and disassembly objectives in accordance with DOE/NNSA requirements plan**.**

Within DSW, the types of activities include, but are not limited to, the assembly and disassembly of nuclear weapons and individual components in support of Life Extension Programs, the Stockpile Evaluation Program, and dismantlement goals and objectives. In addition, it includes the disposition of weapon components, maintaining a weapons quality control program, providing production information systems, and providing laboratory analytical services. Also, each site performs research, development, testing and engineering work for the current and future production missions in support of the weapon laboratories. At Pantex, the high hazard fabrication of high explosive materials, interim storage of SNM and components, and nuclear weapons assembly/disassembly are key deliverables; Y-12 provides the Canned Subassemblies and Savannah River provides tritium supply management services and loaded reservoirs for the weapons. All operations shall meet DOE/NNSA requirements for nuclear facility safety, criticality safety, and nuclear explosive safety. Projected work scope for the NSE within this program includes, but is not limited to:

(i) W76 and B61 Life Extension Program (LEP) deliverables;

(ii) All other LEP deliverables;

(iii) 800-1200 weapon systems equivalent unit operations per year for assembly/disassembly for: (1) surveillance, LEP and dismantlement; (2) Joint Test Assemblies (JTA); and (3) Limited Life Components (LLCs). These operations are on the B53, B61, W62, W69, W70, W71, W76, W78, W80, B83, W84, and W88 systems; (The W87 LEP (Assembly/ Disassembly) is the standard equivalent unit and is equal to 1.0 equivalent unit. All other weapons program deliverables are defined as either 0.xx or 1.yy equivalent units based on the number of hours of production time and whether it is greater or less than that standard.)

(iv) Meet annual Defense Program deliverables at Y-12 inclusive of assemblies, subassemblies, piece parts, phases of a dismantlement or surveillance, container refurbishments, and shipments from Area 5;

(v) If SRTO option is included in Contract, 1100-2100 reservoir equivalents per year for loading, 100-170 reservoir equivalents per year for unloading, and 240-350 per year reservoir equivalents for Gas Transfer System Surveillance;

(vi) Maintain and exercise production process capabilities such as casting, rolling, forming, and machining;

(vii) Support of multi-program initiatives including Product Realization Integrated Digital Enterprise and Requirements Modernization and Integration;

(viii) Storage and disposition of excess legacy components from weapons activities;

(ix) Support expense projects, such as the Manufacturing Operations Management at Y-12 (CD-4) and the Operations System Design and Integration at Pantex (CD-4).

**1.1.2 Campaigns:** Campaigns are focused efforts to address critical capabilities needed to achieve key future program objectives. Campaigns are technically challenging, multi-function efforts that have definitive milestones and specific work plans. For this Contract these campaigns include, but are not limited to, the Engineering and Readiness Campaigns. Projected work scope within this program includes, but is not limited to:

(i) Support advanced technology projects in support of the NSE such as lithium technologies, microwave deployment, wet chemistry replacement, lithium oxide replacement, high explosives development;

(ii) If SRTO option is included in Contract, maintain operational capabilities to perform one or more tritium extractions per year for Tennessee Valley Authority supplied target rods; and

(iii) Support transition of designated Campaign activities to DSW.

**1.1.3 Readiness in Technical Base and Facilities (RTBF):** RTBF provides the physical and operational infrastructure required to conduct the scientific, technical, and manufacturing activities of the Stockpile Stewardship Program. The RTBF mission is to ensure that the sites comprising the NSE are implementing the technologies and methods necessary to make construction, operation, energy efficiency and maintenance of production facilities safe, secure, reliable and cost effective and that the right facilities and infrastructure are in place to manufacture and certify the 21st century nuclear weapons stockpile.

The key areas within RTBF include, but are not limited to, construction, construction support and contractor integration, management of containers (onsite and offsite), operations of facilities, management and storage of materials (plutonium, highly-enriched uranium (HEU), Tritium, SNM and other materials), Material Recycle and Recovery, and Program Readiness. Projected work scope within this program includes, but is not limited to:

(i) Maintain annual mission critical facility availability;

(ii) Maintain mission critical facilities and mission dependent, not critical facilities;

(iii) Project Management

A. The Contractor shall perform design and construction activities for all projects under $20M (Expense and General Plant Projects). New projects over $20M, including Expense and Line Item, may be included if determined by the NNSA to be in the Government's best interest.

B. The Contractor shall perform initial project development (for all projects regardless of dollar value), project management, design, and construction management activities in accordance with required DOE Orders.

C. The Contractor shall recognize existing Construction Labor Agreements and shall require subcontractors engaged in construction on the construction project to recognize the Construction Labor Agreement.

D. The Contractor shall maintain project baselines, develop Documented Safety Analysis, define quality requirements, ensure National Environmental Policy Act compliance, provide quarterly reports to the NNSA for assigned projects, support external reviews, and meet other requirements as directed by the Contracting Officer.

E. Line Item Projects covered by this Contract include, but are not limited to:

- Uranium Processing Facility (UPF), see Chapter IV of this SOW
  - CLIN 0001: Contractor retains Design Authority
  - CLIN 0002: Contractor acts as Design Agent

- High Explosive Pressing Facility (HEPF) (CD-4 thru 2016)
  - Contractor provides design support for the US Army Corps of Engineers
  - Contractor supports construction and completes start-up and commissioning

- Nuclear Facility Risk Reduction Project (Critical Decision (CD) 3B in 2012 and CD-4 in 2016)
  - Contractor completes design
  - Contractor completes construction, start-up, and commissioning
- Security Improvement Project (CD-4 in 2014)
  - Contractor completes construction, start-up, and commissioning

(iv) Manage and disposition waste generated at the sites;

(v) Operate enriched uranium recycle and recovery systems at Y-12 to include chemical processing, metal working, purification, accountability, storage, disposition, breaking, casting, high precision machining, oxide conversion, metal production, and canning;

(vi) Operate lithium recycle and recovery systems at Y-12;

(vii) Reduce the backlog of Highly Enriched Uranium (HEU) material at Y-12 in order to fully execute Material Disposition Plan and manage newly generated low-equity material by processing to a form suitable for long-term storage or discard of material which is below the Economic Discharge Limit;

(viii) Safe and secure storage, management, and disposition of nuclear and non- nuclear materials (weapon assemblies, pit staging, war reserve storage, enriched uranium, Li6, heavy water, plutonium, and satisfy NNSA and other DOE customer material requirements (also, if SRTO option is included in the Contract, tritium and He3);

(ix) Support DOE enterprise-wide nuclear materials management and storage initiatives including, supporting the development and update of material management plans, supporting the DOE Nuclear Materials Management Team, and performing special studies related to uranium, lithium, heavy water as requested;

(x) Deliver containers according to Shipment Schedules in support of DSW and other missions; and

(xi) Support footprint reduction efforts at the sites.

(xii) Operate the Wind Energy System (Pantex Wind Farm) as part of the Pantex Renewable Energy Project (PREP).

**1.1.4 Secure Transportation:** This is the mechanism for the movement of weapons and materials between sites. Key facilities are located in Amarillo, Texas and Oak Ridge, Tennessee. Support under this Contract shall include maintenance of facilities, vehicle maintenance and support, and other activities.

## 1.2 Other NNSA Work

**1.2.1 Infrastructure and Environment:** These programs include Site Stewardship, Long-term Environmental Stewardship, NNSA recapitalization programs, Nuclear Materials Management Team, and energy savings initiatives required by the DOE. Projected work scope for the NSE within this program includes, but is not limited to:

(i) Overseeing roofing projects under Enterprise-wide Roofing Asset Management Program;

(ii) Completing recapitalization and deferred maintenance projects; and

(iii) Completing High Pressure Fire Loop at Pantex (CD-4).

**1.2.2 Nuclear Counterterrorism Incident Response and Other Nuclear Emergency Response Programs:** The Nuclear Counterterrorism Incident Response (NCTIR) program ensures that capabilities are in place to respond to any DOE/NNSA facility emergency, nuclear, or radiological incident within the United States or abroad, and to provide operational planning and training to counter both domestic and international nuclear terrorism and assure that DOE can carry out its mission-essential functions. This includes DOE's radiological assistance program, NNSA's worldwide weapons accident response management, and other investigations or advisory groups.

**1.2.3 Nuclear Non-Proliferation:** Defense Nuclear Nonproliferation programs work closely with a wide range of international partners, key U.S. federal agencies, the U.S. national laboratories, and the private sector to detect, secure, and dispose of dangerous nuclear and radiological material, and related weapons of mass destruction technology and expertise. Projected work scope for the NSE within this program includes, but is not limited to:

(i) Integrate, plan and execute disposition projects for DOE complex-wide inventories of surplus and excess nuclear material;

(ii) Complete 100% of scheduled deliveries of excess enriched uranium to customers;

(iii) Provide effective and rapid response to emergent non-proliferation and international security requirements;

(iv) Partner with DOE/NNSA laboratories to leverage resources and expertise in support of nuclear non-proliferation goals and objectives;

(v) Support of global nonproliferation activities; and

(vi) Meet 100% of scheduled deliveries for the supply of nuclear materials to foreign and domestic research and isotope production reactors and other Y- 12 customers.

**1.2.4 Naval Propulsion:** Naval Reactors programs require production and delivery of feedstock supporting their nuclear fuel program. Projected work scope for the NSE within this program includes, but is not limited to:

(i) Complete 100% of scheduled deliveries of feedstock to NA-30; and

(ii) Complete annual evaluation, maintain, and submit 20-year plan for NA-30 feedstock requirements.

**1.2.5 Defense Nuclear Security (DNS):** The DNS program protects NNSA interests from theft, diversion, sabotage, espionage, unauthorized access, compromise, and other hostile acts which may cause unacceptable adverse impacts on national security, program continuity, security of employees, and the public. As required by the security assets at each site, the Contractor shall provide a highly trained, competent, qualified, and certified Protective Force (PF) to protect nuclear explosives, SNM, classified matter, and other NNSA property. The actual PF staffing is determined by the posts and patrols and their required hours of operation. The Contractor is expected to provide staffing to meet requirements in a cost-effective manner. These responsibilities include planning, integration, management, and execution of all program elements **excluding** drug and alcohol testing for all site personnel.

PF operations are included in the scope of this Contract for Pantex and Y-12 and not SRTO. The Government will furnish PF operations at the SRTO. In accordance with the Contract's Section H, H-9, Limitation on Protective Force Subcontracting, the Contractor shall not subcontract protective force services and responsibilities.

The Contractor shall interface, as directed by the CO, with other contractors that perform safeguards and security work within the Oak Ridge Reservation and the Savannah River Site. In addition, at Pantex and Y-12 the scope entails coordination with local law enforcement agencies as well as management and operation of all shared security support services (e.g., Technical Surveillance Countermeasures and pre-event discovery operations) and facilities (inclusive of the Central Training Facility) in Oak Ridge, as well as implementation of the "Graded Security Protection Policy." The Contractor shall establish a formal training program which ensures appropriate personnel are competently trained, and fully qualified to perform the tasks within their assigned responsibilities under both normal and emergency conditions. This responsibility also includes the DOE standardized security training of DOE-Oak Ridge PF personnel at the Central Training Facility. For other PF contractors within the ORR, the Contractor shall develop and conduct site-specific training curricula through coordination with the affected contractors.

**1.2.6 Cyber Security:** The NNSA Cyber Security program ensures that sufficient information technology and information management security safeguards are implemented throughout the NSE to adequately protect information assets. The overarching goal is to implement a flexible, comprehensive, full life-cycle, risk-based cyber security program including a cyber security architecture aligned with the NNSA enterprise architecture and plans of the NNSA Office of the Chief Information Officer. The Contractor shall allow full, unfettered access to security

logs and cyber security sensor data to the Joint Cyber Coordination Center (JC3) to provide cyber security situational awareness for the NSE. The Contractor shall implement a cyber security baseline program and provide adequate performance metrics to generate a risk-based budget process for the NSE.

**1.3 Strategic Partnership Projects/Other Reimbursable Work**

This includes the management and execution of other assigned programs related to national security missions for DOE, other Government agencies, or privately owned organizations on a non-interference basis with NNSA work as approved by the Contracting Officer.

## 2.0 FUNCTIONAL SUPPORT

The Contractor shall provide:

**2.1 General Support:**

General management and program management functions including executive direction, human resources, financial support services, procurement, legal services, central administrative services, program and project controls, information outreach, information services, and other general support functions.

In addition, provide legacy health and welfare benefits administration regarding former Contractor employees at Portsmouth Gaseous Diffusion Plant, located near Piketon, Ohio and Paducah Gaseous Diffusion Plant, located approximately 15 miles west of Paducah, Kentucky. Provide legacy pension, health and welfare benefits administration regarding former Contractor employees at K-25, located five miles west of Y-12.

**2.2 Mission Support**

Mission support functions including environmental, safety and health, facilities management, maintenance, utilities, safeguards and security, logistics support, quality assurance, and laboratory/technical support.

In addition, provide services and support, as directed by NNSA, in the following areas:

(i) Office of Secure Transportation facilities;

(ii) DOE Central Scrap Management Office;

(iii) DOE Business Center for Precious Metals Sales and Recovery;

(iv) DOE Tri-Laboratory Office; and

(v) Sandia-operated Weapons Evaluation Test Laboratory (WETL) operations.

**23 Site Specific Support**

Site specific support includes management and incentive fee administration, state and local taxes, and direction of a DOE-approved Plant-Directed Research, Development and Demonstration (PDRD) Program that supports science-based manufacturing related to the NNSA weapons mission, and encourages advanced research, development, and demonstration work to enhance the science and technology capabilities and core competencies required to fulfill the mission of nuclear production.

## CHAPTER III. Human Resources

### 1.0 DEFINITIONS

Incumbent Employees are the employees in good standing of B&W Technical Services Pantex, LLC and B&W Technical Services Y-12, LLC under Contracts DE-AC04-00AL66620 and DE-AC05-00OR22800, and the Protective Services subcontract DE-AC55-07NA25750 between G4S Government Solutions, Inc., d/b/a WSI-Oak Ridge and B&W Technical Services Y-12, LLC, respectively as of the effective date of the Contract, and Tritium Operations and select employees of the Savannah River Nuclear Solutions, LLC Contract DE-AC09-08SR22470 as of the date of SRTO option exercise.

Non-Incumbent Employees are new hires, i.e., employees other than Incumbent Employees who are hired by the Contractor upon the beginning of the Base Term at Y-12 and PX and new hires other than Incumbent Employees at SRS who perform Tritium Operations work under this Contract.

### 2.0 WORKFORCE TRANSITION

The following are requirements the Contractor shall carry out during the Transition Term. After the effective date of the Contract, the Contractor may propose alternate due dates for the deliverables described in 2.1, Staffing Plan, 2.2, Pay & Benefits, 2.3, Incumbent Employees Right of First Refusal, and 2.4, Advance Understanding on Human Resources. The Contracting Officer may approve such changes provided the deliverable dates make transition more effective and efficient for both parties.

#### 2.1 Staffing Plan

No later than 30 calendar days after the effective date of the Contract the Contractor shall provide NNSA its plan for achieving the right workforce size and skills mix and an estimate of the number of employees at each site to whom they expect to make employment offers.

#### 2.2 Pay & Benefits

Consistent with the requirements identified in 3.0 COMPENSATION and 4.0 BENEFITS below, the Contractor shall develop and submit for NNSA approval an integrated pay and benefits program to cover non-bargaining unit Incumbent and non-bargaining unit Non- Incumbent Employees at PX & Y12. It is expected that the benefits program will be developed utilizing best practice and market based design concepts to achieve maximum efficiency and lower cost through such features as vendor and benefit plan consolidation. If the SRTO option is exercised, the Contractor shall provide information regarding their plans to incorporate SRTO employees into their integrated pay and benefits program.

2.2.1 No later than 45 calendar days after the effective date of the Contract, the Contractor shall submit for NNSA approval all proposed benefit plans. The submission shall include all plan documents that will describe benefits provided to employees at Y12 and PX including existing plans to which the Contractor becomes a sponsor at the beginning of the Base Term as well as newly proposed plans.

The submission shall also include an "Employee Benefits Value Study" comparing the proposed benefit plans for non-bargaining unit Incumbent Employees and non-bargaining unit Non-Incumbent Employees using the NNSA Consolidated Employee Benefit Value Study methodologies and comparator companies, to be provided by the Contracting Officer, described in 4.1.5 below. Contracting Officer's approval of the Contractor's benefits program will be contingent on the net benefit value not exceeding the comparator group by more than five percent.

2.2.2 No later than 120 calendar days after the effective date of the Contract, the Contractor shall submit a plan with a timeline for implementing an integrated Compensation system that meets the criteria defined 3.0 COMPENSATION below.

**2.3 Incumbent Employees Right of First Refusal**

The Contractor shall use the Transition Term to make hiring decisions. The Contractor shall give a right of first refusal of employment for every position identified by the Contractor as necessary for completing the requirements of the contract (other than positions occupied by Key Personnel and managers who directly reported to them) under this Contract to Incumbent Employees as defined in *1.0 Definitions* who meet the qualifications for a particular position. The Contractor shall provide a written offer of employment that identifies the individual's pay and a summary of the benefits package that will be available to the individual. Incumbent employees offered the same position shall be provided their same base salary/pay rate in existence (provided by the incumbent Contractor) at the time the offer is made. Incumbent employees offered a different position than the position they are performing at the time the offer is made shall be provided pay commensurate with the position. Such offer shall be provided to employees as soon as possible, however, no later than no later than 90 calendar days after the effective date of the Contract.

**2.4 Advance Understanding on Human Resources**

The Contractor shall submit no later than 120 calendar days after the effective date of the Contract a proposed Human Resources Plan. The Plan shall describe the Contractor's proposed Human Resources policies, programs and related expenses that will have cost implications under the Contract. The plan should provide information showing that these proposed policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce. This document will serve as the starting point for negotiation with which NNSA and the Contractor will reach an advance understanding on Contractor Human Resources costs. The advance understanding enables both the Contractor and the NNSA to determine allocability, allowability and reasonableness of costs prior to incurrence, thereby avoiding (to the maximum extent possible) subsequent disallowance and disputes; provide appropriate and reasonable compensation levels to recruit and retain Contractor employees to meet NNSA mission objectives; and assure prudent expenditure of public funds. The language identified in *3.0 Compensation, 4.0 Benefits, 5.0 Labor Relations, and 6.0 Workforce Planning* below will serve as the governing text for development of the advance understanding. The Personnel Appendix will include but is not limited to such topics as compensation, welfare benefits, labor relations, retirement plans, severance schedules, holidays,

vacation, etc., or any other human resource costs the Contractor or NNSA deems necessary. It is understood that any advance understanding will be appended to the Contract as the Personnel Appendix (Section J, Appendix I, Personnel Appendix).

## 3.0 COMPENSATION

The Contractor shall recruit and retain a highly skilled, motivated, and experienced workforce in a cost effective manner capable of carrying out the technical and other requirements set forth elsewhere in this Statement of Work.

### 3.1 Total Compensation System

Consistent with the requirement in 2.2, Pay and Benefits, the Contractor shall establish an integrated, market based pay and benefit program. The objective is to provide a level of total compensation which, within available funds, attracts, motivates and retains a highly competent workforce and maintains a competitive position in the applicable labor markets.

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system including a compensation system Self-Assessment Plan consistent with FAR 31.205-6 and DEAR 970.3102-05-6; "Compensation for Personal Services" (Total Compensation System). In addition, the Contractor's total compensation system shall include the following components:

(i) Philosophy and strategy for all pay delivery programs.

(ii) System for establishing a job worth hierarchy.

(iii) Method for relating internal job worth hierarchy to external market.

(iv) System that includes a documented method and process for evaluating individual job performance and that bases individual and/or group compensation decisions on individual performance and Contractor performance as appropriate. In addition, the system must show the link to the annual evaluation of Contractor performance for individual compensation actions as appropriate.

(v) Method for planning and monitoring the expenditure of funds.

(vi) System for internal controls and self-assessment.

(vii) System to ensure that reimbursement of compensation, including stipends, for employees who are on joint appointments with a parent or other organization shall be pro-rated according to the amount of time the employee spent performing work under this Contract.

### 3.2 Cash Compensation

The Contractor shall submit the following to the Contracting Officer for a determination of cost allowability for reimbursement under the Contract.

**3.2.1 Additional Compensation System Self-Assessment Data**

Any additional compensation system self-assessment data requested by the Contracting Officer that may be needed to validate and approve the total compensation system.

**3.2.2 Proposed Major Compensation Program Design Changes**

Any proposed major compensation program design changes prior to implementation.

**3.2.3 Annual Compensation Increase Plan (CIP)**

(i) The CIP shall be provided to the Contracting Officer on October 1 annually and shall include the following components and data:

(1) Comparison of average pay to market average pay;
(2) Information regarding surveys used for comparison;
(3) Aging factors used for escalating survey data and supporting information;
(4) Projection of escalation in the market and supporting information;
(5) Information to support proposed structure adjustments, if any;
(6) Analysis to support special adjustments;
(7) Funding requests and supporting analysis for each pay structure to include breakouts of merit, promotions, variable pay, special adjustments, and structure movement;

(a) The proposed plan totals shall be expressed as a percentage of the payroll for the end of the previous plan year.
(b) All pay actions granted under the CIP are fully charged when they occur regardless of time of year in which the action transpires and whether the employee terminates before year-end.
(c) Specific payroll groups (e.g., exempt, nonexempt, key personnel) for which CIP amounts are intended shall be defined by mutual agreement between the Contractor and the Contracting Officer.
(d) The Contracting Officer may unilaterally adjust the CIP amount after approval based on major changes in factors that significantly affect the plan amount (for example, in the event of a major reduction in force or significant ramp-up).
(e) The Contractor is authorized to make minor shifts (up to 10%) in funds between payroll groups without prior Contracting Officer approval. The Contractor shall notify the Contracting Officer at the time funds are shifted.

(8) A discussion of the impact of budget and business constraints on the CIP amount; and
(9) Discussion of relevant factors other than market average pay (e.g., turnover and offer-to-acceptance statistics, collective bargaining provisions, geographic considerations, total compensation).

(ii)) Contracting Officer approval is not required for the CIP under the following circumstances: 1) the CIP submission is equal to or less than

the salary increase projection (e.g. World at Work projection); and (2) NNSA does not notify the Contractor of any questions or concerns that may negate cost allowability. NNSA will provide notification within the two weeks following the Contractors' submission (date will be identified in the annual NNSA CIP guidance).

(iii) Contracting Officer approval is required for the CIP under the following circumstances (1) the CIP percent exceeds the professionally recognized salary budget survey's salary increase projection (e.g. World at Work projection provided in the annual NNSA CIP guidance); (2) the Contractor's position to market warrants less than the survey's salary increase projection such that application of the CIP at the full increase projection, would result in the overall position to be above market; and/or (3) the Contractor's overall position to market is above market.

(iv) Contracting Officer approval is not required for any salary structure adjustments that do not exceed the professionally recognized salary budget survey's mean structure adjustments projected for the CIP year (e.g., World at Work projection provided in the annual NNSA CIP guidance).

### 3.2.4 Compensation Actions for All Key Personnel

The compensation actions for all Key Personnel shall be submitted for approval upon replacement. The top contractor official (i.e., Nuclear Production Contract Plant Manager or equivalent) salary actions including merit pay increases shall be submitted annually to the Contracting Officer for approval. The top contractor official's approved reimbursed base salary will serve as the maximum allowable salary reimbursement under the Contract. With these compensation actions, the Contractor shall provide supporting justification related to internal and external equity, individual performance and the Application for Contractor Compensation Approval Form (DOE 3220.5).

### 3.2.5 Incentive Compensation Plan

For any proposed establishment of an Incentive Compensation Plan (variable pay plan/pay-at-risk), documentation shall be provided to the Contracting Officer no later than 60 days prior to proposed implementation. Such proposal must contain:

(i) The design of the Incentive Compensation Plan, the funding methodology, and linkage to Contract performance measures;
(ii) Requirement for approval of Incentive Compensation Plan design changes by the Contracting Officer prior to implementation;
(iii) Requirement for an annual approval, prior to the performance period, of the total dollar amount of the pool, the eligible positions, and linkage to Contract performance goals;
(iv) Requirement for policy that provides a specific passover rate, i.e., percent of participants who will not receive an incentive;
(v) Requirement for an annual summary report on distributions made under an Incentive Compensation Plan; and

(vi) For any Executive Incentive Plans, a requirement for pay at risk.

### 3.2.6 Assignments Outside of Normal Duty Station

Assignments of employees outside of their normal duty station for which the NNSA/DOE will reimburse all or some of their compensation or other expenses shall be in accordance with NNSA Policy Letter, NAP-31, titled NNSA M&O Off-Site Extended Duty Assignments.

### 3.2.7 Contractor's Total Compensation System

The Contractor's Total Compensation System (e.g., to be set forth in Section J, Appendix I, Personnel Appendix), shall meet the tests of allowability in FAR 31.205-6 and DEAR 970.3102-05-6, be fully documented, be consistently applied, and be acceptable to the Contracting Officer. Costs incurred in implementing the Total Compensation System shall be approved by the Contracting Officer. Any changes to the Total Compensation System shall be submitted to the Contracting Officer 60 days prior to implementation. Changes that impact current or future costs shall be approved by the Contracting Officer prior to implementation.

### 3.2.8 Human Resources Plan

As a part of the Human Resources Plan the Contractor shall submit a severance plan. The severance plan must include the notification period, pay-in-lieu policy, and the severance schedule. Supporting documentation must include information regarding standards from nationally recognized sources and or comparator firms (including corporate parents).

Severance Pay is not payable to an employee under this Contract if the employee:

(i) Voluntarily separates, resigns or retires from employment, except that in the event the Contractor conducts an NNSA approved voluntary separation program;

(ii) Is offered employment with a successor/replacement Contractor;

(iii) Is offered employment with a parent or affiliated company; and/or

(iv) Is discharged for cause.

(v) Occupies one of the Key Positions identified in Section J, Appendix J.

Service Credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost-reimbursement Contract.

## *3.3* Reports *and Information: Compensation*

The Contractor shall provide the Contracting Officer with the following reports and information with respect to pay and benefits provided under this Contract:

(i) An Annual Contractor Salary-Wage Increase Expenditure Report to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure, showing actual against approved amounts, no later than 30 days after Compensation Increase Plan expenditures.

(ii) Other compensation reports as requested by the Contracting Officer.

## 4.0 BENEFITS

### 4.1 Assumption of Existing Pension Plan

The Contractor will be required to become a sponsor of the existing pension plans and other Post Retirement Benefit Plans (PRB), as applicable, with responsibility for management and administration of the plans, including maintaining the qualified status of those plans. The Contractor shall carry over the length of service credit and leave balances for Incumbent Employees accrued as of the date of the Base Term.

4.1.1 No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans which will result in additional costs. Justification for new benefit plans and changes to plan design or funding methodology which will increase costs must include cost impact, and the basis of determining cost. The Contractor shall notify the Contracting Officer prior to implementation of benefit plans that are either new or first time for the site, are a significant impact to employees, or which may set a precedent for the DOE/NNSA contractor system.

4.1.2 Cost reimbursement for pension and other benefit programs sponsored by the Contractor for non-bargaining and bargaining unit employees will be based on the "Employee Benefits Value Study" as described in 4.1.5.1 and 4.1.5.2 and an "Employee Benefits Cost Study Comparison" as described in 4.1.5.3 below.

4.1.3 The Contractor shall notify the Contracting Officer prior to terminating any benefit plan during the term of the Contract.

4.1.4 Service Credit for cost reimbursement for employee benefits to include PRB eligibility will be determined in accordance with NNSA Supplemental Directive NA SD O 350.1, M&O Contractor Service Credit Recognition.

4.1.5 Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall participate in and/or submit the studies required in paragraphs 4.1.5.1, 4.1.5.2, and 4.1.5.3 below. The studies shall be used by the Contractor in calculating the cost or value of benefits under existing benefit plans. In addition, the Contractor shall submit updated values to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan that will increase costs.

4.1.5.1 The NNSA Consolidated Employee Benefits Value Study for non- bargaining unit employees, shall be submitted by July 31st every two years or as directed by the Contracting Officer. An Employee Benefits Value Study (Ben Val) is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor to employees measured against the RV of benefit

programs offered by comparator companies. The Contractor will utilize the comparator companies previously utilized in the last NNSA Consolidated Benefit Value Study. If any of the comparator companies no longer participate, the Contractor will recommend replacement companies for approval by the Contracting Officer. The Value Study shall include major non-statutory benefits plans offered by the contractor, including qualified defined benefit (DB) plans and defined contribution (DC) retirement and capital accumulation plans, and death, disability, health, and paid time-off welfare benefit programs. Any M&O Contractor defined benefit pension plans and post-retirement benefits plans, closed to new entrants, do not have to be included in the Ben Val measurement.

4.1.5.2 An Employee Benefits Value Study for bargaining unit employees shall be completed 6 months prior to the end of the bargaining unit Contract. The Benefits Value Study must include at least 15 comparator companies approved by the Contracting Officer. The Value Study must include major non-statutory benefit plans offered by the Contractor, including qualified DB & DC retirement and capital accumulation plans and death, disability, health, and paid time off welfare benefit programs Any M&O Contractor defined benefit pension plans and post-retirement benefits plans, closed to new entrants, do not have to be included in the Ben Val measurement..

4.1.5.3 An Employee Benefits Cost Study Comparison for non-bargaining and bargaining unit employees, shall be submitted by July 31st annually. The cost study must utilize a professionally recognized measure approved by the Contracting Officer that analyzes the Contractor's employee benefits cost for employees as a percent of payroll and compares it with the cost as a percent of payroll including geographic factor adjustments, reported by the U. S. Labor's Bureau of Labor Statistics or other Contracting Officer approved comparator group or broad based national benefit cost survey. Any M&O Contractor defined benefit pension plans and post-retirement benefit plans, closed to new entrants, do not have to be included in the Benefit Cost study measurement.

4.1.5.4 When the weighted average net benefit value for non-bargaining employees exceeds the comparator group by more than five percent, the Contractor may be required to provide, for Contracting Officer approval, a Corrective Action Plan describing the specific actions they plan to take to get to the 105% within a specified period of time.

4.1.5.5 When the benefit costs as a percent of payroll exceeds the comparator group by more than five percent, when and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that result in or contribute to the

percent of payroll exceeding the costs of the comparator group and may be required to submit a corrective action plan and specified period of time if directed by the Contracting Officer.

4.1.5.6 Within two years, or longer period as agreed to between the Contractor and the Contracting Officer, of the Contracting Officer's acceptance of the Contractor's corrective action plan, the Contractor may be required to align employee benefit programs with the benefit value and the cost as a percent of payroll in accordance with its corrective action plan.

4.1.6 In the event the NNSA determines it is appropriate to spin off any portion of any defined benefit plan in order to address benefits for employees who used to perform work under the former M&O Contract, but who subsequently perform work under a different NNSA contract, the Contractor shall negotiate in good faith regarding the disposition of pension plan assets and liabilities consistent with direction from the Contracting Officer.

**4.2 Reports and Information: Benefits**

The Contractor shall provide to the Contracting Officer:

(i) Annually, the Report of Contractor Expenditures for Employee Supplemental Compensation (DOE F 3220.8); and

(ii) Quarterly, input requested benefits data into DOE's iBenefits pension and benefits management system.

**4.3 Workers' Compensation**

4.3.1 The Contractor, unless workers' compensation coverage is provided through a state funded arrangement or a corporate benefits program, shall submit to the Contracting Officer for approval all new workers' compensation policies and all initial proposals for self-insurance. Additionally, Contractors shall provide copies to the Contracting Officer of all renewal policies for workers' compensation.

4.3.2 Workers' compensation loss income benefit payments when supplemented by other programs (such as salary continuation, short term disability) are to be administered so that the total benefit payments from all sources shall not exceed 100% of employee's net pay.

**4.4 Pension Plans**

4.4.1 For cost allocability and reimbursement purposes, any defined benefit (DB) or defined contribution (DC) pension plans established by the Contractor and any DB or DC plans for which the Contractor assumes sponsorship upon the start of the Base Term, shall be maintained consistent with the requirements of the Internal Revenue Code (IRC),

Employee Retirement Income Security Act of 1974 (ERISA) as amended and any other applicable laws.

4.4.2 Any pension plan maintained by the Contractor, for which NNSA reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for service not performed under a DOE cost- reimbursement Contract. Each Contractor pension plan shall be submitted to an annual, full-scope audit by an outside independent organization and the resulting report, submitted to NNSA, must provide the accounting details specified in ERISA Sections 103 and 104.

4.4.3 The Contractor will be reimbursed for pension contributions in the amounts necessary to ensure that the plans are funded to meet the annual minimum required contribution under ERISA, as amended. If a minimum contribution payment is required to avoid benefit restrictions to Plan participants, the Contractor shall notify the Contracting Officer at least sixty (60) days prior to the date the payment is due. Reimbursement above the annual ERISA required minimum contribution will require prior approval of the Contracting Officer. The Contracting Officer will take into consideration all pre-funding balances and funding standard carryover balances when evaluating whether to approve reimbursement above the minimum required contribution. Timing of a Contractor's contributions to a plan must enable a plan's actuary to certify that a plan is adequately funded at the beginning of a plan year.

4.4.4 At least 60 days prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required in 4.4.4.1 and 4.4.4.2 below, as applicable, to the Contracting Officer for approval or disapproval and a determination as to whether the costs to be incurred are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.

4.4.4.1 For proposed changes to DB and DC plans that are not mandated by law the Contractor shall provide the following to the Contracting Officer:

(i) A clean copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout;

(ii) An analysis of the impact of any proposed changes on actuarial accrued liabilities and an analysis of relative benefit value and a cost study index;

(iii) Except in circumstances where the Contracting Officer indicates that it is unnecessary, a legal explanation of the proposed changes from legal counsel for purposes of compliance with all legal requirements applicable to private sector DB pension plans;

(iv) The Summary Plan Description; and

(v) Any such additional information as requested by the Contracting Officer.

When changes to DB and/or DC plans are required by law, the Contractor must provide a copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout no later than 30 days before the new amendment is to take effect.

4.4.4.2 The Contractor shall obtain the advance written approval of the Contracting Officer for any required pension plan changes that are not required by law and which may increase costs or liabilities, and any proposed special programs (including, but not limited to, plan-loan features, employee contribution refunds, or ancillary benefits) and shall provide a justification to the Contracting Officer. The justification must: (a) demonstrate the effect of the plan changes on the contract net benefit value or percent of payroll benefit costs, (b) provide the dollar estimate of savings or costs, and (c) provide the basis of determining the estimated savings or costs.

4.4.5 When operations at a designated NNSA facility are terminated and no further work is to occur under the prime Contract, the following apply.

4.4.5.1 No further benefits for service shall accrue;

4.4.5.2 The Contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the NNSA Contract;

4.4.5.3 The Contractor shall base its DB pension liabilities attributable to NNSA Contract work on the market value of annuities or dispose of such liabilities through a competitive purchase of annuities. The Contractor, as pension plan sponsor, must adhere to Department of Labor guidance set forth at 29 CFR 2509.95-1 regarding selection of an annuity provider for the purpose of benefit distributions from a DB pension plan;

4.4.5.4 Assets shall be determined using the “accrual-basis market value” on the date of termination of operations; and

4.4.5.5 NNSA and the Contractor shall establish an effective date for spinoff or plan termination. On the same day as the Contractor notifies the IRS of the spinoff or plan termination, all NNSA assets assigned to a spun-off or terminating plan shall be placed in a high-yield, fixed-income portfolio until the successor trustee, or an insurance company, is able to assume stewardship

of those assets. The portfolio shall be rated no lower than Standard & Poor's "AA."

4.4.6 Terminating Plans.

4.4.6.1 NNSA Contractors shall not terminate any pension plan (commingled or site specific) without notifying the Department at least 60 days prior to the scheduled date of plan termination.

4.4.6.2 To the extent possible, the Contractor shall satisfy plan liabilities to plan participants by the purchase of annuities through competitive bidding on the open annuity market. The Contractor, as pension plan sponsor, must adhere to Department of Labor guidance set forth at 29 CFR 2509.95-1 regarding selection of an annuity provider for the purpose of benefit distributions from a DB pension plan The Contractor shall apply the assumptions and termination procedures of the Pension Benefit Guaranty Corporation.

4.4.6.3 Funds to be paid or transferred to any party as a result of settlements relating to pension plan termination or reassignment shall accrue interest from the effective date of termination or reassignment until the date of payment or transfer.

4.4.6.4 If ERISA or IRC rules prevent a full transfer of excess NNSA reimbursed assets from the terminated plan, the Contractor shall pay any deficiency directly to NNSA according to a schedule of payments to be negotiated by the parties.

4.4.6.5 On the same day as the Contractor notifies the IRS of the plan termination, all NNSA assets will be placed in a high-yield, fixed-income portfolio until full disposition of the terminating plan's liabilities. The portfolio shall be rated no lower than Standard & Poor's "AA."

4.4.6.6 NNSA liability to a commingled pension plan shall not exceed that portion which corresponds to participants' service accrued for their work under an NNSA Contract. The NNSA shall have no other liability to the plan, to the plan sponsor, or to the plan participants.

4.4.6.7 After all liabilities of the plan are satisfied, the Contractor shall return to NNSA an amount equaling the asset reversion from the plan termination and any earnings which accrue on that amount because of a delay in the payment to NNSA. Such amount and such earnings shall be subject to NNSA audit. To affect the purposes of this paragraph, NNSA and the Contractor may stipulate to a schedule of payments.

4.4.7 Post Contract Responsibilities for Pension and Other Benefit Plans

4.4.7.1 If this Contract expires or terminates and NNSA has awarded a Contract under which the new Contractor becomes a sponsor and assumes responsibility for management and administration of the pension or other benefit plans covering active or retired Contractor employees with respect to service, the Contractor shall cooperate and transfer to the new Contractor its responsibility for sponsorship, management and administration of the plans consistent with direction from the Contracting Officer. If a comingled plan is involved, the Contractor shall:

(i) Spin off the NNSA portion of any commingled plan that provides benefits for employees working at the NNSA facility into a separate plan. The new plan shall provide benefits similar to those provided by the commingled plan and shall carry with it the NNSA assets on an accrual basis market value, including NNSA assets that have accrued in excess of NNSA liabilities.

(ii) Bargain in good faith with NNSA or the successor Contractor to determine the assumptions and methods for establishing the liabilities involved in a spinoff. NNSA and the Contractor(s) shall establish an effective date of spinoff. On the same day as the Contractor notifies the IRS of the spinoff, all NNSA assets assigned to a spun-off plan shall be placed in a high-yield, fixed income portfolio until the successor trustee is able to assume stewardship of those assets. The portfolio shall be rated no lower than Standard & Poor's "AA."

4.4.7.2 If this Contract expires or terminates and NNSA has not awarded a Contract to a new Contractor under which the new Contractor becomes a sponsor and assumes responsibility for management and administration of the Plans, or if the Contracting Officer determines that the scope of work under the Contract has been completed (any one such event may be deemed by the Contracting Officer to be "Contract Completion" for purposes of this paragraph), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination elsewhere in this Contract, the following actions shall occur regarding the Contractor's obligations regarding the Plans at the time of Contract Completion:

(i) Subject to paragraph 4.4.7.2(ii) below, and notwithstanding any legal obligations independent of the Contract the Contractor may have regarding responsibilities for sponsorship, management, and

administration of the Plans, the Contractor shall remain the sponsor of the Plans, in accordance with applicable legal requirements.

(ii) The parties shall exercise their best efforts to reach agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of Contract Completion. However, if the parties have not reached agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of Contract Completion, unless and until such agreement is reached, the Contractor shall comply with written direction from the Contracting Officer regarding the Contractor's responsibilities for continued provision of pension and welfare benefits under the Plans, including but not limited to continued sponsorship of the Plans, in accordance with applicable legal requirements. To the extent that the Contractor incurs costs in implementing direction from the Contracting Officer, the Contractor's costs will be reimbursed pursuant to applicable Contract provisions.

4.4.8 Reports and Information - Retirement Plans: For each DB and DC pension plan as applicable or portion of a pension plan for which NNSA reimburses costs, the Contractor shall provide the Contracting Officer with the following information within nine months of the last day of the current pension plan year except for the Pension Management Plan which shall be submitted by January 30 of each year.

4.4.8.1 The annual actuarial valuation report for each NNSA-reimbursed pension plan. When a pension plan is commingled, the Contractor shall submit separate reports for NNSA's portion and the plan total.

4.4.8.2 Copies of IRS Forms 5500 with Schedules for each NNSA-funded pension plan, no later than that submitted to the IRS.

4.4.8.3 Copies of all forms in the 5300 series submitted to the IRS that document the establishment, amendment, termination, spin-off, or merger of a plan submitted to the IRS.

4.4.8.4 The annual Pension Management Plan as described below (4.5 Pension Management Plan) by January 30 of each year.

## 4.5 Pension Management Plan

4.5.1 The Contractor shall submit a plan for management and administration (Pension Management Plan) for each defined benefit pension plan (Plan) for which the Department has a continuing obligation to reimburse pension contributions that is consistent with the terms of this Contract and which

includes projected assets, projected liabilities, and estimated contributions and the prior year's actuarial valuation report annually on January 30.

4.5.2 The Pension Management Plan shall include:

4.5.2.1 The Contractor's best projection of the contributions which it will be legally obligated to make to the Plan(s), beginning with the required contributions for the current fiscal year, based on the latest actuarial valuation, and continuing for the following four fiscal years. This estimate will be based upon compliance with all applicable legal requirements relating to the determination of contributions and upon the assumptions set out in the Plan document(s). All contribution calculations should reflect payments made during DOE fiscal years, beginning Oct 1, through September 30, and the next succeeding six fiscal years. Please include a summary of the key actuarial assumptions used to determine the required contribution. All projections must be based upon the most recently available asset information for the Plan. For example, for a Plan with a July 1 valuation date, project the July 1, value of assets for the current year to be used in the calculation from the actual January 1, value of assets from the same year.

4.5.2.2 If the actuarial valuation submitted pursuant to the annual Pension Management Plan update indicates that the sponsor of the Plan must impose benefit restrictions, the Contractor shall provide the following information:

(i) The type of benefit restriction that will take place;

(ii) The number of Contractor employees that potentially could be impacted and the nature of the restriction (e.g., financial impact) by imposition of the required benefit restriction;

(iii) The amount of money that would need to be contributed to the Plan and the timing of such contribution to avoid legally required benefit restrictions; and

(iv) A recommendation regarding whether the additional money should be contributed to the Plan and the rationale for the recommendation.

4.5.2.3 A detailed discussion of how the Contractor intends to manage the Plan(s) to maximize contribution predictability (i.e. forecasting accuracy) and to contain current and future costs, to include the rationale for selection of all Plan assumptions (i.e., actuarial experience studies) that determine the required contributions and which impact the level and predictability of required contributions. As part of the Contractor's plan to

maximize contribution predictability, the Contractor may propose funding strategies other than ERISA minimums for NNSA's consideration and approval. The Contractor shall submit the following for NNSA to consider in deciding on the alternate funding strategy:

(i) Identify whether the current year additional amount can be absorbed within the current operating budget;

(ii) Discuss the integration of Plan's funding strategy and investment strategy taking into consideration the plan's demographic profile, liability duration, and impact of current year funding decisions on future yearcontribution requirements;

(iii) Discuss the strategy for achieving fully funded status and protecting against erosion of the Plan's funded status;

(iv) Discuss the strategy for specifically protecting any pension funding contributions reimbursed in excess of the minimum required contribution against the risk of significant loss; and

(v) Discuss whether the plan has a prefunding or funding standard carryover balance that could be used to improve the plan's AFTAP without requiring additional contributions. Provide a rationale regarding the recommended use of the available balance(s).

4.5.2.4 An assessment to evaluate the effectiveness of the Contractor's Plan(s) investment management/results.The assessment must include at a minimum: a review and analysis of Plan investment objectives and asset allocations; results of the most recent asset liability study and investment policy review; the strategies employed to achieve the Plan's investment objectives; and the methods used to monitor execution ofthose strategies and the achievement of the investment objectives. The Contractor shall also identify its plans, if any, for revising any aspect of its Pension Management Plan based on the results of the review.

Within thirty (30) days after the date of the submission, appropriate Contractor representatives will meet with the Contracting Officer and other DOE/NNSA representatives to discuss the Contractor's proposed Pension Management Plan. The Contractor must be prepared to discuss any differences between the prior fiscal year's projected pension contributions for future fiscal years and the most recent projected pension contributions for future fiscal years and the rationale for any such discrepancies. In addition, discrepancies between the

actual contributions made for the most recent fiscal year preceding the meeting and the projected contributions for that fiscal year and the rationale for any such discrepancies, and funding strategies for the Plan will be discussed.

## 5.0 LABOR RELATIONS

(i) The Contractor shall comply with the National Labor Relations Act, DEAR Subpart 970.2201, and all applicable Federal and State labor laws.

(ii) No later than 60 days before the commencement of bargaining, the Contractor shall provide to the Contracting Officer in writing 1) the proposed changes to the current collective bargaining agreement that will increase costs over and above the current collective bargaining agreement costs; 2) the proposed savings to the current collective bargaining agreement; 3) the dollar amounts associated with the proposed changes to reflect a total cost and total net cost (or savings). Cost increase figures shall be provided for each of the following distinct categories: wages, health benefits, retirement benefits and all other benefits that increase costs under the existing collective bargaining agreement. Upon the request of the Contracting Officer, provide the full financial impact of the proposed wage increases, including but not limited to the impact on overtime and shift differential costs and an estimate of overhead burden increases that will occur as a result of the proposed wage and benefit increases over the life of the collective bargaining agreement.

The Contractor will provide regional wage survey information, Benefits Value study information, Cost Study information and any other information to support the collective bargaining cost figures set forth in the Contractor's proposal no later than 60 days prior to the commencement of bargaining.

Prior to the commencement of collective bargaining, the Contracting Officer will communicate to the Contractor the total approved, aggregate cost ceiling for the cost associated with the successor collective bargaining agreement. Once the aggregate threshold is determined and provided to the Contractor, no further approval of economic parameters is required unless 1) the changes would exceed the aggregate figure or 2) the changes proposed are contrary to Departmental policy or written instructions. To the extent the Contractor assumes savings from new negotiation positions not set forth in the Contractor’s initial cost proposal, the Contractor must notify the Contracting Officer of such assumed savings by no later than 15 days after the collective bargaining agreement is executed.

(iii) The Contractor shall provide an electronic copy of the bargaining agreement to the Contracting Officer 30 days after formal ratification. The Contractor shall provide the “Report of Settlement” 30 days after formal ratification using the Work Force Information System (WFIS). The Contractor shall provide information requested by the Contractor Officer regarding ratified collective bargaining agreements to which the Contractor is a party. The Contractor shall enter information, including but not limited to the executed collective bargaining agreements, into the iBenefits system (or any successor database) quarterly, or upon Contracting Officer request.

(iv) The Contractor shall notify the Contracting Officer in a timely fashion of labor relations issues that may cause a significant impact to the workforce.

(v) The Contractor shall immediately (within twenty-four hours) advise the Contracting Officer of the following:

(A) Possible strike situations or other actions affecting the continuity of operations including work stoppages and picketing;

(B) Formal action by the National Labor Relations Board (NLRB) including but not limited to issuance of a complaint against the Contractor. Copies of complaints, settlement agreements, judgments and any other documents issued in connection with Contractor actions with respect to labor practices shall be provided to the Contracting Officer;

(C) Recourse to procedures under the Labor-Management Relations Act of 1947 as amended or any other state law;

(D) Any grievance scheduled for arbitration under any collective bargaining agreement that has the potential for significant economic or other impact as well as the decision of the arbitrator; and

(E) Other significant issues that may involve review by other federal or state agencies.

## 6.0 WORKFORCE PLANNING

### 6.1 Workforce Planning - General

The Contractor shall analyze workforce requirements consistent with current and future mission requirements and develop appropriate workforce transition strategies to ensure appropriate skills are available at the right time, in the right number, in the right place. Particular attention shall be paid to current and future critical skills. This analysis shall be available for review upon Contracting Officer request.

### 6.2 Reductions in Contractor Employment – Workforce Restructuring

6.2.1 Voluntary Separations: In order to minimize the number of involuntary separations and mitigate the impact on affected employees, the Contractor will consider in consultation with the Contracting Officer, the use of a Voluntary Separation Program (VSP) before consideration is given to conducting an Involuntary Separation Program (ISP) when workforce restructuring is necessary. The Contractor shall submit the VSP for approval by the Contracting Officer prior to implementation regardless of the number of employees involved. No reimbursement of costs associated with VSPs will be allowable if not approved by the Contracting Officer prior to implementation.

6.2.2 Involuntary Reductions in Contractor Employment

6.2.2.1 If the restructuring involves separating between 10-99 employees in a rolling twelve-month period, the Contractor shall notify the Contracting Officer no later than 15 days in advance of the action.

6.2.2.2 For restructuring actions that involve separating between 50-99 employees, the Contractor shall prepare a specific workforce restructuring plan and submit the plan to the Contracting Officer for informational purposes. In addition, the Contractor shall perform a diversity impact analysis and provide a copy of the analysis to the NNSA Site Counsel at the Nuclear Production Site Office for any restructuring actions that involve 50 or more employees within a 12-month period.

If the restructuring may involve the separation of 100 or more employees within a 12-month period, the Contractor shall submit a specific workforce restructuring plan, for approval by the Contracting Officer, to enable compliance with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 at a minimum, no later than 90 days in advance of the date the Contractor needs to begin notification to employees in accordance with the law and its attendant timeframes to effect the separations.

6.2.2.3 All notifications to the NNSA must contain pertinent information such as reasons, costs, dates, and numbers of impacted employees.

6.2.3 Any payment of benefits beyond those already approved in the Contract must be approved by the Administrator, NNSA, through the Contracting Officer.

# CHAPTER IV. Uranium Proce ssing Facility (UPF)

## 1.0 INTRODUCTION

As discussed in Section J, Appendix A, Chapter II, Work Scope Structure, the Contractor retains Design Authority for the Uranium Processing Facility at Y-12 under CLIN 0001. CLIN 0002 (defined herein, as Design Agent) is inclusive of all project management elements associated with the design, procurement, construction, start-up, and turnover to operations of the facilities and processes for UPF. Applicable requirements discussed in Section J, Appendix A, Chapter I, Objectives, Scope, and Requirements, Chapter II, Work Scope Structure, and Chapter III, Human Resources, also apply to CLIN 0002, and supplemental requirements for CLIN 0002 are contained in this Chapter.

## 2.0 BACKGROUND

The UPF project is the solution to meeting NNSA's mission need for Enriched Uranium (EU) processing – by consolidating Y-12's EU processing and manufacturing into appropriately sized modern facilities that meet current safety and security requirements while eliminating the high cost and risk of maintaining Y-12's aging infrastructure. Existing EU processing equipment and technologies are outdated and oversized for the current mission. Y-12 facilities face significant deferred maintenance, require intensive routine maintenance, and are subject to escalating operating, utility, and maintenance costs. Worker protection relies on administrative controls and personal protection equipment rather than engineered controls. Replacement of the Y-12 facilities and equipment will be required to sustain operations, incorporate updated technology, and right-size processes.

## 3.0 ACQUIS ITION STRATEGY

The government may evaluate discrete scopes of work to determine the appropriate acquisition strategy for UPF design and construction. In response to these decisions, the Contractor shall be prepared to have:

(i) The appropriate systems, processes, and procedures in place to support the full suite of potential Federal acquisition strategies, such as Direct Federal Contracting and Interagency Agreements;

(ii) The ability to perform in a wide variety of roles on behalf on the Government, including serving as an owner's agent, construction manager, or staff augmentation (e.g. estimating, proposal development, etc.); and

(iii) A full suite of contracting mechanisms in its agreement with the Government including fixed-price, cost-reimbursement, incentive, indefinite-delivery, time-and-materials, and agreements as applicable and deemed necessary, in those cases where the Government decides not to perform the work directly (Note: the terms and conditions of contract may require modification for each type).

## 4.0 ROLES OF THE DES IGN AUTHORITY AND DES IGN AGENT

The role of the Design Authority will be performed by Mission Engineering under CLIN 0001 and will consist of defining the operational, high-level design, safety basis, and mission

requirements for the UPF engineering scope. The Design Authority is responsible for establishing and recommending approval of the UPF Safety Basis. The Design Authority is responsible for ensuring the operational, design, safety basis, and mission requirements are met. The Design Authority will provide conflict resolution and interpretation of design requirements. The Design Authority will provide oversight of design activities.

The role of the Design Agent will be performed by UPF Engineering under CLIN 0002, using the operational, design, safety basis, and mission requirements as defined by the Design Authority. The Design Agent is responsible for the professional quality, technical accuracy and adequacy, and the coordination of all designs, drawings, specifications and other services furnished under this contract. The Design Agent prepares all design documents and supporting information, maintains the design basis, controls configuration, and trends performance of systems.

The Contractor will be responsible for developing a detailed division of responsibility and interaction protocol between the Design Authority and Design Agent. This protocol will be contained within an Interface Control Document that will be jointly approved by the UPF Project Director and the Mission Engineering Manager.

## 5.0 DESIGN CODE OF RECORD

The Design Code of Record (COR), a term that shall be utilized for this Contract under CLIN 0002, refers to the requirements that are in effect during the entire life cycle of a facility or item of equipment, and includes Federal and state laws, DOE requirements, and specific design criteria defined by national codes and standards. The Design COR and its supporting documents form a single reference source for project design, construction, startup, operating, and decommissioning requirements. The Design COR organizes these documents in a manner that supports accessibility, traceability, and maintainability of facility requirements. Establishing the Design COR early in the design phase, and maintaining it under change control for the entire facility lifecycle, improves project costs, schedule, and safety, which enables effective turnover of the facility requirements for design, construction, operation, and decommissioning if the Contractor changes.

The UPF Project is an engineering, procurement, and construction (EPC) project that will be designed, constructed, tested/started up, and turned over to operations, in accordance with an established and approved Design COR, which is specifically applicable to the operational and mission requirements for the UPF engineering scope. The UPF project has adapted this approach to ensure that the UPF Design COR is established early in the design phase by the Contractor, accepted by NNSA early in the Critical Decision process, and controlled by both NNSA and the Contractor during design, construction, operations, and decommissioning.

The *Uranium Processing Facility (UPF) Design Code of Record*, PL-RM-801768-A001, herein referenced as "UPF Design Code of Record," along with the additional documents and standards identified in the *Uranium Processing Facility (UPF) Other Basis Records*, PL-RM-801768-A002, herein referenced as "UPF Other Basis Records," shall be adopted as a control point for establishing the project's design basis and shall remain under change control for the life of the project. This adoption does not constitute validation or approval of the content of these documents, since final approval will occur following the Contractor's submittal of the Conceptual Safety Design Report.

The UPF Federal Project Director, herein referenced as "FPD," shall be the final approval authority for the UPF Design Code of Record. Any equivalencies (including "modifications" or "alternatives" where used in lieu of equivalencies) and exemptions that are determined to be applicable:

(i) Shall clearly demonstrate an equivalent level of safety (i.e., meets or exceeds the required level of protection);

(ii) Shall be reviewed by the Senior Management Change Control Board prior to initiating an impact assessment and/or adoption; and

(iii) Shall be approved prior to implementation by the FPD.

The FPD and NPO Manager shall resolve any conflicts between UPF Design Code of Record document(s) within his authority, and provide formal Technical Direction to the Contractor, in accordance with this Contract. Where a change to the UPF Design Code of Record document(s) is determined to not be of benefit to the UPF Project in terms of cost or safety, and the FPD does not have the direct authority to approve the equivalency and/or exemption, the FPD will follow the provisions for relief as specified in DOE O 251.1C, *Departmental Directives Program* and DOE O 410.1, *Central Technical Authority Responsibilities Regarding Nuclear Safety Requirements*. Any formal concurrence and approvals from the Central Technical Authority (CTA), Chief of Nuclear Safety (CNS), or Chief of Defense Nuclear Safety (CDNS) shall be clearly captured in the supporting documentation reviewed by the Senior Management Change Control Board and incorporated into the UPF Design Code of Record after FPD approval, as applicable.

## 6.0 FUNCTIONAL ORGANIZATION

While the UPF project will be organized in a traditional functional organization approach, an integrated team culture is expected and required. The purpose of this integrated execution approach is to improve safety, quality, inter-discipline communication and efficiency, foster synergy, increase productivity, improve decision making ownership and accountability, and focus on completing the work scope. Typical areas where the integrated team concept is employed are:

(i) During the design phase with meaningful design and constructability reviews;

(ii) Through potential material/equipment vendor consolidation;

(iii) In engineering, procurement, and construction sequencing and integration; and

(iv) Including interfaces, support, and services required from other organizations across Y-12. For example, Design Authority, Procurement, Operations, Security, Nuclear Safety, Facility Maintenance, Emergency Management, etc.

## 7.0 GOALS AND OBJECTIVES

The benefits of executing the UPF project include ensuring reliable, long-term, consolidated EU processing capability for the NSE through modern technologies and facilities, an improved

security posture, and an improved health and safety environment for workers. The goals and objectives of the UPF project are to:

(i) Improve the security posture;

(ii) Replace end-of-life facilities and ensure a reliable EU processing capability to meet the mission of NNSA;

(iii) Improve worker protection with an emphasis on incorporating engineered controls; and

(iv) Comply with modern codes, standards, and Environmental Safety and Health (ES&H) practices.

## 8.0 PROJECT DESCRIPTION

The Contractor shall be responsible for performance of all UPF project activities including the following:

(i) Designing the facility for a 50-year life cycle.

(ii) Completing a detailed cost estimate and schedule to establish a baseline for scope associated with long-lead procurements and site preparations;

(iii) Obtaining approval of the full project performance baseline;

(iv) Constructing the facilities for EU processing capabilities;

(v) Constructing adjacent support and administrative buildings;

(vi) Procuring and installing electrical components, heating, ventilation and air conditioning equipment, communications, fire system monitoring, diesel generators, and fire water storage and distribution;

(vii) Procuring and installing process services equipment for delivery of industrial gases, chemicals, cooling water, etc.;

(viii) Constructing/installing electrical substation;

(ix) Installing security systems;

(x) Installing information technology systems;

(xi) Completing Perimeter Intrusion Detection and Alarm System (PIDAS) and portal work;

(xii) Installing long-lead items as received to support the construction schedule;

(xiii) Procuring the balance of process equipment and install the remaining capabilities for full functionality of UPF;

(xiv) Constructing the Highly Enriched Uranium Materials Facility (HEUMF) Connector;

(xv) Completing final site work; and

(xvi) Pre-operational testing.

Designing engineered controls into the facility equipment and processes will reduce or eliminate the numerous administrative controls relied on today. Consideration of long-term maintenance and reliability is an important aspect of facility and equipment design and selection to ensure a reliable, cost-efficient UPF while providing a safe workplace. Equipment shall be selected with appropriate assessment of life cycle cost factors. Automation and/or remote operation shall be considered where hazardous conditions, human factors, and/or efficiency of operations warrant.

The core EU processing capabilities that will be transitioned from the aging Y-12 infrastructure to the new UPF shall be defined in the NNSA issued PRD and approved SRD. These capabilities are expected to include, but are not limited to:

(i) Casting;

(ii) Special Oxide Processing;

(iii) Salvage Processing (e.g. chemical recovery), including conversion of scrap and salvage EU to safe forms for disposition; and

(iv) Material Accountability.

## 9.0 PROJECT GOALS AND MILESTONES

Project management of UPF includes: (1) Title I – Preliminary/Conceptual Design including Pre-Design, Schematic Design and Design Development; (2) Title II – Construction Documents including construction drawings, specifications, and cost estimate; (3) Title III – Construction Management including submittal review and inspection; and (4) Services for test and check out, integration with ongoing operations, and transition to operations, which shall be performed in accordance with the UPF Project Management Plan (Section J, Appendix G). The project management objectives provided in Section J, Appendix A, Chapter II, 1.1.3(iii), paragraphs (A) through (D) applies to the UPF project as well as the following:

(i) Executing the project consistent with a comprehensive plan and the UPF Program Requirement Document for managing EU production capabilities at Y-12 enabling NNSA to meet its mission;

(ii) Completing design and construction of the UPF in accordance with the current design information and the approved design for the final update of the UPF Project Management Plan, within the approved total project cost range and the funding profile;

(iii) Installation and preoperational startup of the EU process capabilities in the UPF buildings;

(iv) Managing under project management best business practices to include, but not limited to configuration control such that changes in the scope, cost, and schedule basis are documented;

(v) Regular updates of estimates at completion shall be provided to NNSA;

(vi) Documenting project management requirements in accordance with DOE O 413.3B entitled "Program and Project Management for the Acquisition of Capital Assets";

(vii) The Contractor shall provide input in the formulation of a project fee plan, as prescribed in Section B, B-8, UPF Fee Plan for CLIN 0002 scope of work;

(viii) The Contractor shall establish performance metrics consistent with Contract at Section J, Appendix B-2, UPF Fee Plan, in a way that quickly and accurately provides NNSA and Contractor management an overall assessment of the "health of the project"; and

(ix) Once established, the fee plan process and metrics shall become part of the Contractor's Contractor Assurance System, which shall allow NNSA with transparency to information in order to aid in the timely identification and understanding of significant performance issues.

## 10.0 COST REQUIREMENTS

Manage the UPF Project, as a severable cost center within the SUBCLIN structure defined under Section B CLIN 0002 of the Contract. This shall include all services (provided by M&O organizations under CLIN 0001) and subcontracts that support CLIN 0002, which shall be clearly defined by the Contractor (e.g. Statement of Work, Cost, and Roles and Responsibilities, etc.).

## 11.0 PROJECT DELIVERABLES

The following UPF Design Requirements Document, DOE/ORO-2171 Uranium Processing Facility (UPF) Program Requirements Document (PRD), and Deliverables Table of Contents, Contract Data Requirements List (CDRL) and Data Item Descriptions (DIDs), is hereby incorporated into the contract by reference, and shall be contained and maintained under configuration control pursuant with UPO-95-A025 UPF Project Senior Management Change Control Board (SMCCB) Process in full text, as revised, in PL-RM-801768-A002 Uranium Processing Facility (UPF) Other Basis Records (OBR), in accordance with section 5.0 Design Code of Record.

| DATA ITEM DESCRIPTION (DID) # | TITLE |
|---|---|
| DID-ENG-0001/T | As-Built Configuration List |
| DID-ENG-0002/T | As-Built Drawings |
| DID-ENG-0003/T | Code of Record Document |
| DID-ENG-0004/T | Conceptual Design Report |
| DID-ENG-0009 | Design Master Record Index |
| DID-ENG-0010 | Facility Design Description |
| DID-ENG-0012/T | Final Design Review |
| DID-ENG-0014/T | Interface Control Document |
| DID-ENG-0015/T | Preliminary Design Report |
| DID-ENG-0017/T | SystemDesign Description |
| DIE-ENG-0018/T | Technology Readiness Assessment |
| DID-ENG-0019/T | Reliability, Availability, Maintainability, and Inspectability |
| DID-ENG-0020/T | Design Review Plan |
| DID-ENG-0021/T | Engineering Drawings |
| DID-ENG-0023/T | Equipment List |
| DID-ENG-0025/T | Design Change Control Plan |
| DID-ENG-0026 | Requestfor Deviation (Request for Variance) |

| | |
|---|---|
| OT-ENG-1027 | Design Criteria |
| OT-ENG-1028 | Engineering Execution Plan |
| OT-ENG-1029 | Material& Energy Balance Design Analysis Calculations |
| OT-ENG-1030 | Process Narratives |
| OT-ENG-1031 | Scope of Facilities |
| OT-ENG-1032 | SystemRequirement Document |
| OT-ENG-1003 | Other Basis Records |
| DID-ITS-0002 | Technical Requirements Document |
| DID-ITS-0003 | Cyber Security Plan |
| DID-OPS-0001 | Operations and Maintenance Plan |
| DID-OPS-0002 | Startup Notification Report |
| DID_OPS-0003 | Startup Plan |
| DID-PM-0001/T | Document of Trend Board/Change Control Board Meetings |
| DID-PM-0002/T | Configuration Management Document Pick List |
| DID-PM-0003 | Configuration Management Plan |
| DID-PM-0004/T | Project Completion Verification |
| DID-PM-0005 | Document Control Plan |
| DID-PM-0006/T | Earned Value Management (EVM) Plan |
| DID-PM-0008 | Long Lead Items List |
| DID-PM-0009 | Systems Engineering Management Plan |
| DID-PM-0010 | Procurement Plan |
| DID-PM-0011/T | Project Acquisition Plan |
| DID-PM-0012 | Project Execution Plan |
| DID-PM-0013/T | Project Management Plan |
| DID-PM-0014/T | Project Performance Baseline Control Plan |
| DID-PM-0015/T | Records Management Plan |
| DID-PM-0016/T | Requirements Management Plan |
| DID-PM-0017/T | Risk Analysis Report |
| DID-PM-0018/T | Risk Management Plan |
| DID-PM-0019/T | Risk Register |
| DID-PM-0022/T | Work Breakdown Structure and WBS Dictionary |
| DID-PM-0023/T | Critical Path Schedule |
| DID-PM-0024 | Fixed Price Contract Milestone & Schedule Status Report |
| DID-PM-0026/T | Monthly Project Report |
| DID-PM-0027/T | Resource Loaded Schedule |
| DID-PM-0028 | Statement of Work |
| DID-PM-0029/T | Total Project Cost |
| DID-PM-0030/T | Emergency Management Plan |
| DID-PM-0031/T | Quality Assurance Plan |
| OT-PM-1031 | Contractor Assurance System |
| DID-PM-0032 | Technology Maturation Plan |
| DID-PM-0033/T | Value Engineering Plan |
| OT-PM-1033 | Value Engineering ProgramStatus Report |
| DID-PM-0034 | Communications Management Plan |
| DID-PM-0035/T | Project Funding Requirements Profile |
| DID-PM-0036/T | Federal Project Director Monthly Project Review |
| DID-PM-0037/T | Data Management Plan |
| DID-PM-0039/T | MasterDocument List |
| DID-PM-0040/T | Life Cycle Cost |
| DID-PM-0041/T | Project Closeout Report |
| DID-PM-0056 | Root Cause Analysis |
| DID-PM-0059 | Corrective Action Plan |
| DID-PM-0066 | Integrated Baseline Review Report |
| DID-PM-0071 | Nonconformance Report |
| DID-PRG-0001 | Checkout, Testing, and Operations Acceptance |
| DID-PRG-0003/T | Key Performance Parameters |
| DID-PRG-0004/T | Key Project Assumptions |
| DID-PRG-0005 | Operations and Maintenance Configuration Management |

| | |
|---|---|
| DID-PRG-0006/T | Performance Baseline Development Plan |
| DID-PRG-0009/T | Transition to Operations Plan |
| DID-PRG-0011 | ProgramRequirements Document |
| DID-PRG-0014/T | Analysis of Acquisition Alternatives |
| DID-PRG-0015/T | Project Master Schedule |
| DID-PRG-0016 | Performance Work Statement |
| DID-PRG-0017 | Contract Data Requirements List |
| DID-PRG-0019/T | Project Data Sheet |
| DID-PRG-0020/T | Contracting Strategy Analysis |
| DID-PRG-0021 | Monthly Status PARS II Report |
| DID-PRG-0022/T | Integrated ProgramManagement Report(IPMR) |
| DID-SAF-0001 | Conceptual Safety Design Report |
| DID-SAF-0003 | Operational Readiness Review Implementation Plan |
| DID-SAF-0004 | Final Hazards Analysis Report |
| DID-SAF-0005 | Hazardous Analysis Report |
| DID-SAF-0006 | Preliminary Documented Safety Analysis |
| DID-SAF-0007 | Preliminary Hazards Analysis |
| DID-SAF-0008 | Preliminary Safety Design Report |
| DID-SAF-0009 | Safety Design Strategy |
| DID-SAF-0010 | Technical Safety Requirements |
| DID-SAF-0011 | Documented Safety Analysis |
| DID-SAF-0012/T | Readiness to Proceed(RTP) Memorandum |
| DID-SAF-0013/T | Contractor Operational Readiness Review Plan of Action |
| DID-SAF-0014/T | Integrated Safety Management Plan |
| DID-SAF-0015 | Safety Design Control Plan |
| DID-SAF-0016 | Fire Hazards Analysis |
| DID-SAF-0017/T | Occurrence Report |
| DID-SAF-0018/T | Lessons Learned Report |
| DID-SAF-0019/T | Occupational Safety Plan and Reporting |
| OT-ADM-1001 | Conference Minutes |
| DID-SEC-0001/T | Final Security Vulnerability Assessment |
| DID-SEC-0002/T | Preliminary Security Vulnerability Assessment |
| DID-SEC-0003/T | Security Plan |
| DID-SEC-0004/T | Safeguards and Security Requirements |
| OT-SEC-1006/T | Comprehensive Emergency Management System |
| DID-ITS-0001 | Information Technology Management Plan |
| DID-EPC-0001 | Environmental Compliance Strategy |
| DID-EPC-0002 | Environmental Management SystemDocumentation |
| DID-EPC-0003 | Final NEPA Documentation |
| DID-EPC-0004 | NEPA Compliance Strategy |
| DID-CST-0001/T | Pre-Construction (Site Preparation) Plan |
| DID-CST-0002/T | Construction Management Plan |
| DID-CST-0003/T | Construction Work Authorization Plan |
| DID-CST-0004/T | Construction Safety Plan |
| OT-CST-1005 | Daily Construction Progress Report |
| OT-CST-1006 | Weekly Construction Working Schedules |
| DID-MGMT-81468/T | Contract Funds Status Report |

**Fiscal Year 2024**
**DOE/NNSA Strategic Performance Evaluation and Measurement Plan**

**Consolidated Nuclear Security, LLC**

**MANAGEMENT AND OPERATION OF THE**

**Pantex Plant and Y-12 National Security Complex**

**Contract Number: DE-NA0001942**

**Performance Evaluation Period: October 01, 2023 through September 30, 2024**

[redacted]

Richard J. Tighe, Ph.D. Date
President and Chief Executive Officer
Consolidated Nuclear Security, LLC

[redacted]

Teresa Robbins Date
Field Office Manager
NNSA Production Office
National Nuclear Security Administration

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Frances A. Lopez Date
Senior Director, Contracts
Consolidated Nuclear Security, LLC

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Joshua S. Beeler Date
Contracting Officer
NNSA Production Office
National Nuclear Security Administration

# FY 2024 PERFORMANCE EVALUATION AND MEASUREMENT PLAN

## DOCUMENT REVISION HISTORY

| Revision | Date | Change Description |
|---|---|---|

## INTRODUCTION

The Pantex Plant (Pantex) and Y-12 National Security Complex (Y-12) are plants owned by the United States Government, under the custody of the Department of Energy (DOE), herein referenced as and are managed and operated by Consolidated Nuclear Security, LLC (CNS). Pursuant to the terms and conditions of the Contract, this NNSA Performance Evaluation and Measurement Plan (PEMP) sets forth the criteria by which NNSA will evaluate CNS performance and upon which NNSA shall determine the amount of award fee earned. The available award fee amounts for FY 2024 are specified in Section B, Supplies or Services and Prices/Costs, of the Contract. This PEMP promotes a strategic Governance and Management Framework in support of the NNSA's Strategic Vision. This Strategic Vision requires CNS to fully execute mission milestones in support of key mission objectives and effectively meet significant management challenges identified by NNSA.

## PERFORMANCE BASED APPROACH

The performance-based approach evaluates the CNS performance through a set of Goals. Each Goal, and its associated Objectives and Key Outcomes (KOs) as applicable, will be measured against authorized cost, schedule, and technical performance, based on respective outcomes, demonstrated performance, and impact to DOE/NNSA missions.

## MISSION

The Pantex mission supports managing the nation's nuclear stockpile by performing disassembly, inspection and rebuild of weapon evaluations cycle units, assembly of Joint Test Assemblies (JTAs) and JTA post mortem analysis, assembly and disassembly of test bed units, Limited Life Component Exchange, programmatic alterations (usually defined as Alts or Mods), weapon repairs, weapon and component radiography and non-destructive evaluation, high explosive testing and explosive component evaluation, pit and non-nuclear evaluations, electrical and mechanical test, and surveillance and evaluation testing in support of Quality Evaluation Reports.

Y-12 supports national security programs through production of weapons components and parts; stockpile evaluation and maintenance; stockpile surveillance; dismantlement; and nuclear materials management, storage, and disposition. Its primary mission is the manufacturing of modern secondaries and processing and storage of highly enriched uranium.

Additionally, Pantex and Y-12 support several other NNSA identified missions, including nuclear nonproliferation, the Naval Reactors Program, emergency response, continuing management reform, and recapitalizing NNSA infrastructure.

## MISSION PERFORMANCE

CNS is accountable for and will be evaluated on successfully executing program work in accordance with applicable DOE/NNSA safety, security, and sustainability requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security are essential and implicit elements of successful mission performance. Accordingly, CNS shall plan mission work with safety and security as integral to mission execution and meeting the affected programmatic Goals. The model for this PEMP is to rely on CNS leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of its assurance system and supporting measures, metrics, and evidence. **CNS is expected to manage in a safe, secure, sustainable, efficient, effective, and results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do not compromise core objectives and mission performance.** Products and services are expected to be delivered on-schedule and within budget.

## INNOVATIVE SOLUTIONS

CNS will recommend innovative, technology/science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. CNS will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions including safety, security, and sustainability contributing to mission success. In addition, DOE/NNSA expects CNS to recommend and implement innovative business and management improvement solutions that enhance effectiveness and efficiency, to include partnering with external vendors and the Department of Defense's existing industrial base.

## CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION

The evaluation of performance will consider context such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside CNS control), degree of difficulty, significant accomplishments or improvements, and other events that may occur during the performance period. A significant safety or security event may result in an overall limitation to adjectival ratings. Such impacts may be balanced by the response to the incident and by other initiatives to improve overall safety or security performance. CNS is encouraged to note significant safety and security continuous improvements.

## PERFORMANCE RATING PROCESS

DOE/NNSA will review performance throughout the performance evaluation period and provide tri-annual feedback to CNS highlighting accomplishments and/or issues. At the end of the performance evaluation period, an evaluation of CNS performance will be completed based on contractor oversight against the criteria in the PEMP. Sources of oversight data include, but are not limited to, DOE/NNSA formal assessments, contractor self-assessments, internal and external audits, inspections, program and project reviews, operational awareness activities, contractor assurance system, etc.

This evaluation will be documented in a Performance Evaluation Report (PER) and will include the performance ratings and award fee earned for the subject performance evaluation period. DOE/NNSA will consider CNS end of year self-assessment report in the performance evaluation. Performance of Objectives and KOs (if any) will be assessed in the aggregate, with due consideration given to the level of progress made on achieving KOs, to determine an adjectival performance rating for each Goal. The Goals will then be considered in the aggregate to provide an overall rating and percentage of award fee earned for the contract. The performance ratings will be determined in accordance with FAR 16.401(e) (3) yielding ratings of Excellent, Very Good, Good, Satisfactory, or Unsatisfactory. Notwithstanding the overall strategic framework, any significant failure in any goal may impact the overall rating and award fee earned. **Dollar values contained in the PEMP are provided as guidelines for developing a recommendation of fee allocation to the Fee Determining Official (FDO). The final determination as to the amount of fee earned is a unilateral determination made by the FDO.**

CNS may request a face-to-face meeting with the FDO to highlight its strategic performance at the end of the performance evaluation period. This meeting should occur within the first two weeks after the end of the period.

## PEMP CHANGE CONTROL

It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Nonetheless, unforeseen circumstances and/or changes in priorities may necessitate corresponding changes to individual PEMP(s). Any change to the PEMP, including adjustments or removal of KOs, requires concurrence by the appropriate field/program/functional office, the NNSA Senior Procurement Executive, and the FDO prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in the contract terms and conditions, bilateral changes are the preferred method of change whenever possible.

## FEE ALIGNMENT AND "AT-RISK" AWARD FEE ALLOCATION

**This table is provided for information only and does not change the terms and conditions of the contract.** All goals will receive an adjectival assessment as a part of the Corporate Performance Evaluation Process (CPEP).

| Goal | At Risk Award Fee | At Risk Award Fee Percent |
|---|---|---|
| **Goal-1:** Mission Delivery: Nuclear Weapons | TBD | 40% |
| **Goal-2**: Mission Delivery: Global Nuclear Security | TBD | 10% |
| **Goal-3**: Mission Innovation: Advancing Science and Technology | TBD | 5% |
| **Goal-4:** Mission Enablement | TBD | 25% |
| **Goal-5:** Mission Leadership | TBD | 20% |

*The above template is applied to each field office using At-Risk Award Fee (AF) amounts established in each individual contract. The amounts are based on estimated values for FY24 and will change slightly as actual values for various categories of work are established with FY24 budgets.*

***Goal 6***

| Goal | At Risk Award Fee | At Risk Award Fee Percent |
|---|---|---|
| **Goal-6:** Site Separation* | TBD* | 100%* |

***Note:** A separate AF pool has been established for Goal 6 Site Separation in accordance with contract extension negotiations.* Only Goals 1 through 5 will be considered in the aggregate to provide an overall rating and percentage of award fee earned for the contract. CNS will receive a separate rating and percentage of award fee earned for Goal 6.

## UNEARNED FEE

DOE/NNSA reserves the right to withdraw and redistribute DOE/NNSA unearned fees.

## Goal-1: Mission Delivery: Nuclear Weapons

Successfully execute the cost, scope, and schedule of the Nuclear Stockpile mission work for Defense Programs work in a safe and secure manner in accordance with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

Objectives:

Objective-1.1: Work as a team across the Nuclear Security Enterprise on stockpile program scope to 1) achieve and maintain program delivery schedules; 2) lower risk to achieving First Production Unit (FPU), Initial Operational Capability (IOC), and Final Operational Capability (FOC); 3) improve manufacturability and supply chain execution; and 4) control costs.

Objective-1.2: Execute production modernization processes and activities per expectations defined in Implementation Plans to sustain and improve production capabilities, equipment, and infrastructure for 1) War Reserve production; 2) component modernization and production; 3) strategic materials capabilities and production; 4) improve safety margins, technology maturation strategies, and qualification, and logistics plans collaboratively across the NSE; and 5) improve modeling and analysis capabilities to accurately measure production.

Objective-1.3: Execute stockpile system maintenance, production, limited-life component exchanges, weapon containers, surveillance, assessment, development studies/capability improvements, weapon program planning/support and dismantlement and disposition activities to meet DoD commitments and deliver the annual stockpile assessment.

Objective-1.4: Provide the knowledge and expertise to maintain confidence in the nuclear stockpile without additional nuclear explosive testing by developing, maturing, and applying innovative strategies and technologies to sustain a robust stockpile and improve science and engineering capabilities, facilities, and essential skills to support existing and future nuclear security enterprise requirements.

Key Outcomes: None

## Goal-2: Mission Delivery: Global Nuclear Security

Successfully execute the cost, scope, and schedule of the authorized global nuclear security mission work in a safe and secure manner to include the Defense Nuclear Nonproliferation, Nuclear Counterterrorism and Counterproliferation, and Incident Response missions in accordance with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

Objectives:

Objective-2.1: Support efforts to secure, account for, and interdict the illicit movement of nuclear weapons, weapons-useable nuclear materials, and radioactive materials.

Objective-2.2: Support U.S. national and nuclear security objectives in reducing global nuclear security threats through the innovation of technical capabilities to detect, identify, and characterize: 1) foreign nuclear weapons programs, 2) illicit diversion of special nuclear materials, and 3) global nuclear detonations.

Objective-2.3: Support efforts to achieve permanent threat reduction by managing and minimizing excess weapons-useable nuclear materials and providing nuclear materials for peaceful uses.

Objective-2.4: Support efforts to prevent proliferation, ensure peaceful nuclear uses, and enable verifiable nuclear reductions to strengthen the nonproliferation and arms control regimes.

Objective-2.5: Sustain and improve nuclear counterterrorism, counterproliferation, and forensic science, technology, expertise and associated Nuclear Emergency Support Team (NEST) capabilities; execute response missions, implement policies and procedures in support of response and forensics missions, and assist international partners/organizations.

Key Outcomes:

KO 2.1: Produce High Assay Low Enriched Uranium (HALEU) in accordance with the latest approved Material Management and Minimization (M3) FY 2024 Implementation Plan (Statement of Work) to support NA-23 HALEU customers while sustaining at all times a quantity of HALEU on hand that equals or exceeds the expected demand for the Fiscal Year.

KO 2.2: Complete 3rd Generation Trusted Radiation Identification System (3G-TRIS) measurements at Pantex per the latest approved FY 2024 3G-TRIS Pantex Measurement Campaign project work plan.

KO 2.3: Authorize Additional Approach Exercise (AAE) operations at Pantex, per the latest approved FY 2024 AAE project work plan, by the end of Fourth Quarter FY 2024.

## Goal-3: Mission Innovation: Advancing Science and Technology

Successfully advance national security missions through innovation by expanding the frontiers of Science, Technology, and Engineering (ST&E). Execute transformative and leading-edge Research and Development (R&D) by creating a vibrant, creative, environment that leverages effective partnerships (including SPP) and technology transfer endeavors. Effectively manage high-impact DOE Work and Plant Directed Research and Development (PDRD) and Technology Transfer, etc. in a safe and secure manner consistent with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

Objectives:

Objective-3.1: Execute a research strategy that is clear and aligns discretionary investments (e.g., PDRD) with plant strategy and supports DOE/NNSA priorities particularly to improve manufacturing and production technology.

Objective-3.2: Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.

Objective-3.3: Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.

Objective-3.4: Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.

Objective-3.5: Research and develop high-impact technologies through effective partnerships and technology transfer mechanisms that support the plant's strategy, DOE/NNSA priorities and impact the public good; and ensure that reporting, publishing, and information management requirements of federally funded scientific research and development are implemented (via DOE's Public Access Plan) and per DOE's Scientific and Technical Information Management directive (DOE O 241.1B).

Objective-3.6: Pursue and perform high-impact work for DOE that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities, and essential skills.

Key Outcomes: None

## Goal 4: Mission Enablement

Effectively and efficiently manage the safe and secure operations of the Pantex and Y-12 sites in accordance with cost, scope and schedule while maintaining an NNSA enterprise-wide focus; demonstrating accountability for mission performance and management controls; successfully executing cyber, technical, informational, and physical security requirements, and assure mission commitments are met with high-quality products and services while partnering to improve the site infrastructure. Performance will be measured by the contractor's assurance system, NNSA metrics, cost control, business and financial operations, project baselines, implementation plans, assessment, and audit results, etc., with a focus on mission enablement.

Objectives:

Objective-4.1: Deliver effective, efficient, and responsive Environment, Safety, and Health (ES&H), Quality (including weapon quality) and radioactive waste management. Advance DOE/NNSA's climate resiliency and sustainability goals with a focus on maximizing energy efficiency and supporting Carbon Pollution-Free Electricity (CFE) objectives.

Objective-4.2: Deliver mission capabilities through the planning, design, acquisition, operation, maintenance, recapitalization, and disposition of facilities and infrastructure. Execute design and construction projects to achieve the scope on schedule and on budget.

Objective-4.3: Deliver effective, efficient, and responsive safeguards and security, including assigned enterprise initiatives.

Objective-4.4: Deliver efficient, effective, responsible, and transparent financial management operations and systems including financial integration reporting; budget formulation and execution; programmatic cost estimates; and internal controls.

Objective-4.5: Deliver efficient and effective management of legal risk and incorporation of best legal practices. Deliver timely and actionable recommendations and analysis to Freedom of Information Act and Privacy Act requests.

Objective-4.6: Deliver effective, efficient, and responsive information technology systems and cybersecurity that provides for a comprehensive mission and functional area delivery through the execution of the implementation factors established in the NA-IM IT and Cybersecurity Program Execution Guidance, and adaptive day-to-day IT and cybersecurity operations to support, protect, and defend mission/business systems and networks.

Objective-4.7: Deliver effective, efficient, and responsive site emergency management programs in support of the DOE/NNSA Emergency Management Enterprise.

Objective-4.8: Deliver efficient, effective, and compliant business operations including, but not limited to, procurement, human resources, and property systems, in support of NNSA missions. Focus areas to include achievement of small business and socioeconomic goals; timely and high-quality subcontract actions; support provided to the NSE Workforce Recruitment Strategy; and strategic management of integrated recruiting, retention, and diversity programs.

Key Outcomes:

KO 4.1: Timely submittal of the CD-3B deliverables by the end of Second Quarter, FY 2024 to support achievement of CD-3B for the Lithium Processing Facility Project.

KO 4.2: Complete the Electrorefining project within the currently authorized spending limit of $111.6M.

KO 4.3: Complete Calciner project Turnover to Operations (CHPT61001) by the end of FY 2024, to support commissioning and readiness.

KO 4.4: Produce a Level 1 Digital Twin of the Uranium Processing Facility for non-Controlled Unclassified Information (CUI) systems, with a Level 2 Digital Twin of a UPF manufacturing process to aid in future augmented reality training by the end of FY 2024.

## Goal-5: Mission Leadership

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, cultivating a Performance Excellence Culture that encompasses all aspects of operations and continues to emphasize safety and security, improving the responsiveness of CNS leadership team to issues and opportunities for continuous improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of the Pantex, Y-12 and the Enterprise.

Objectives:

Objective-5.1: Define and implement a realistic strategic vision for the sites, in alignment with the NNSA Strategic Vision, which demonstrates enterprise leadership and effective collaborations across the NNSA enterprise to ensure DOE/NNSA success.

Objective-5.2: Demonstrate performance results through the institutional utilization of a Contractor Assurance System and promoting a culture of critical self-assessment, transparency, and accountability through the entire organization, while also leveraging parent company resources and expertise.

Objective-5.3: Develop and implement a National Security Enterprise-wide partnership model that enhances collaboration, reinforces shared fate and enables mission success including transformation of the stockpile and the enterprise.

Objective-5.4: Exhibit professional excellence in performing roles/responsibilities while pursuing collaborative opportunities for continuous organizational and enterprise learning and demonstrated improvements that will improve productivity, grow the capacity to execute mission, and manage, rather than avoid, risk. Pursue innovations to increase agility and resilience while controlling costs. Advance the operational capabilities of the National Security Enterprise (NSE) by identifying and employing latent capacity existing in the NSE.

Objective-5.5: Demonstrate leadership in driving enhanced and sustainable formality and rigor of operations through proactive implementation of effective and efficient measures to minimize operational upsets that have potential to impact mission.

Objective 5.6: Leadership takes decisive action, as a cooperative partner of NNSA, to attract and retain the workforce needed to achieve the nuclear security enterprise missions, with particular emphasis on critical and under-resourced skill sets, reaching back to parent company resources as necessary.

Key Outcome:

KO 5.1: To enable an increasingly mobile workforce and optimize mission efficiency, improve execution and disciplined operations, reduce human error and improve automation of operations through smart electronic procedures and implementation of innovative mobility solutions, and conduct two technology pilots per project plans:

(1) Improved connectivity in Production Areas at Y-12 to enable mobility through docking stations in high impact areas by September 30, 2024.

(2) Improved Reliability and Predictive Maintenance Capabilities at Pantex through installation of Enterprise Operational Monitoring System (EOMS) software and CompactRIO sensors at the High Explosives Pressing Facility at Pantex by September 30, 2024.

## Goal-6: Site Separation

Successfully execute the cost, schedule, and scope of the separation of Y-12 and Pantex in accordance with the DOE/NNSA priorities and the Bridging Strategy Option B (Step 0) approved September 29, 2023.

Objectives:

Objective-6.1: Execute activities necessary to prepare Pantex and Y-12 to be managed and operated independently under separate contracts by: i) positioning each site to function autonomously, ii) implementing the Bridging Strategy Option B (Step 0), approved September 29, 2023, and iii) complete the Step 0 activities and requisite work service agreements (e.g., transition service agreements) to enable an incoming contractor to manage and operate the Pantex Plant by September 30, 2024.

Key Outcomes:

KO 6.1: Update and resubmit the SSIP to incorporate Step 0 and reflect any resulting impacts to the Steps 1 and 2 schedule and overall execution costs by November 17, 2023.

KO 6.2: Complete all activities to facilitate an incoming contractor's management and operation of the Pantex Plant by September 30, 2024 including enablement of the incoming contractor to independently:

i. Hire and successfully employ personnel;
ii. Execute payroll;
iii. Administer benefits, except administration of pension payroll;
iv. Procure goods and services via Enterprise Contract Management system;
v. Operate financial accounting systems including complete segregation of data from CNS' records on a go-forward basis;
vi. File taxes; and
vii. Manage draw-downs and accept funds.

**FAR 16.401(e)(3) AWARD FEE ADJECTIVAL RATINGS AND SUPPLEMENTAL DEFINITIONS**

| | | |
|---|---|---|
| Excellent | 91%-100% | Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.<br><br>*This performance level is evidenced by at least one significant accomplishment, or a combination of accomplishments that significantly outweigh very minor issues, if any. No significant issues in performance exist.* |
| Very Good | 76% - 90% | Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.<br><br>*This performance level is evidenced by accomplishments that greatly outweigh issues. No significant issues in performance exist.* |
| Good | 51% - 75% | Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.<br><br>*This performance level is evidenced by accomplishments that slightly outweigh issues. No significant issues in performance exist.* |

| | | |
|---|---|---|
| Satisfactory | No greater than 50% | Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award- fee plan for the award-fee evaluation period.<br><br>*This performance level is evidenced by issues that slightly outweigh accomplishments.* |
| Unsatisfactory | 0% | Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.<br><br>*This performance level is evidenced by issues that significantly outweigh accomplishments, if any.* |

**Definitions:**

An **Accomplishment** is an achievement or success in the performance of contract requirements that exceeds standards or expectations. Examples might be performing full contract requirements under budget while meeting or exceeding schedule baselines or performing additional scope within the initial cost targets with no negative effect on requirements or other programs, indicating continued performance improvement.

An **Issue** is a point in question or a matter that raises concerns regarding successful performance of contract requirements within scope, cost (budget), and schedule baselines or concern of negative effect on requirements or other programs, indicating a decline in performance that needs attention and improvement.

# SECTION J

# APPENDIX C

# TRANSITION PLAN

Replaced 0015

# Pantex/Y-12 Transition Plan

March 3, 2014

Consolidated Nuclear Security
Enterprise Management

# Table of Contents

1. Introduction ..... 1

2. Transition Basis and Assumptions ..... 1

3. Transition Team ..... 2

4. Transition Scope ..... 3

5. Transition Schedule ..... 3

6. Transition Staffing ..... 4

7. Transition Communications ..... 4

8. Continuity of Operations and Security ..... 6

9. Human Resources Management ..... 8

10. Financial Management. ..... 9

11. Facility Walkdowns, Due Diligence, Statement of Material Differences, and Property Inventories ..... 10

12. Transition Facilities ..... 11

13. Readiness Reviews and Transition Closeout ..... 11

# List of Figures

Figure 1. Transition Organization Structure

Figure 2. Transition Deliverables

Figure 3. Summary Transition WBS

Figure 4. Transition Manager WBS

Figure 5. Transformation Transition WBS

Figure 6. Program Integration Transition WBS

Figure 7. Mission Support Transition WBS

Figure 8. CIO WBS

Figure 9. Human Resources Transition WBS

Figure 10. Mission Engineering Transition WBS

Figure 11. Uranium Operations Transition WBS

Figure 12. Weapons Assembly/Disassembly Transition WBS

Figure 13. Safeguards and Security Transition WBS

Figure 14. Mission Assurance Transition WBS

Figure 15. UPF Transition WBS

Figure 16. Transition Schedule

Figure 17. Transition Staffing Plan

Figure 18. Transition Staffing Curve

# Appendices

A. Transition Communications Plan

B. Facility Assessment Checklists

C. Transition Facilities Information

D. Uranium Processing Facility Transition Plan

# 1. Introduction

This Transition Plan meets the requirements of RFP Section F-7 (a), Transition Plan, and Section J, Appendix C, Transition Plan, as amended by Amendment 4. It will be submitted to the Contracting Officer upon contract award for approval. The plan describes how Consolidated Nuclear Security, LLC (CNS) will implement the guidance provided in RFP Section J, Appendix C, completing all activities necessary to assume full responsibility for the Y-12 National Security Complex and the Pantex Plant (Savannah River Tritium Operations are not included in this plan per RFP Section J, Appendix C). Per RFP Section J, Appendix C, the objectives of the plan are: to minimize the impacts on continuity of operations, maintain communication with staff and affected communities, identify key issues, and overcome barriers to transition. The objectives of the plan reflect our understanding of requirements for safety and security and our respect for the missions and the employees who will carry out the missions. Our approach to meeting these requirements is described in the following sections and, in particular, Section 5, Transition Schedule.

The transition term is from the effective date of the contract through a 4-month transition period [RFP Section F-2 (a), Amendment 4]. Upon completion of all activities involved in the plan, CNS will advise the Contracting Officer that it is ready to assume full responsibility for the Y-12 National Security Complex and the Pantex Plant. Upon receipt of written notification from the Contracting Officer that the transition activities are considered complete, CNS will assume full responsibility for the nuclear production plants, effective 12:01 a.m. at the start of the Contract's Base Term (RFP Section J, Appendix C).

CNS will manage the transition as a project, with defined scope, schedule, and budget, and with a collocated team at each of the two site locations. Communication with incumbent employees will begin early and will be continuous in an open, frank dialogue, with emphasis on accommodating their work schedules. Offers of employment will be extended as early as possible to employees selected for hire by CNS and completed within 90 days after start of transition. Every effort will be made to avoid impacting the continuity of current work.

This Transition Plan focuses on the activities necessary to meet contract requirements, including staffing, operating systems, procedures and work control documents, baseline plans, and assessment of facilities and pre-existing conditions as well as identification of differences from documented conditions. It details our approach to sustaining project continuity, managing project personnel, maintaining communication with staff and affected communities, identifying key issues, overcoming barriers to transition, and meeting contract requirements safely and securely. In this manner, we can transition the project efficiently and effectively and begin our drive to merger, transformation, and continuous improvement, as described in our proposal.

# 2. Transition Basis and Assumptions

Availability and accessibility of information and facilities are vital to our ability to define the initial condition of the sites and the project, the work to be accomplished, and any material differences from documented conditions.

Office space for our incoming transition team is assumed to be provided by CNS offsite. The CNS transition office will be located at 105 Mitchell Road in Oak Ridge (subject to internal and NNSA approvals), and the Amarillo transition support office will be located at 720 S. Tyler Street. Computers, telephones, and other equipment (including furniture, copiers, printers, and basic office supplies) will be provided by CNS. Safety walkdowns of the office facilities will be performed prior to initial occupancy and as often as necessary to ensure safe working conditions.

We assume that Contracting Officer's Notice to Proceed will be issued to CNS on or about the effective date of the contract, at which time access will be provided to the contract-related facilities, personnel, and information necessary for transition. Examples of necessary documentation include detailed organizational information, human resources data related to the incumbent employee population, benefit plans, system descriptions, procedures, permits, regulatory agreements, work packages, facility condition reports, characterization data, authorization bases, environmental monitoring data, work processes, and project performance reports.

While we assume that much of the required information will be available and accessible at the start of transition, many additional data requests will be necessary. We ask for rapid turnaround of information requested from the incumbent contractor because this process constrains the transition schedule. Our schedule assumes a 3-day turnaround for information requests in general, recognizing that some requests may be sufficiently complex to require more time. We will maintain a log to track all requests for information. We assume that each of our transition personnel will be badged within 3 days of the person's arrival, and that escorted access will be provided as necessary while clearances are in process.

# 3. Transition Team

Transition will be managed by a dedicated Transition Manager who is not a key person. Except for the transition manager and the associated support, transition will be managed by the same organization as the project organization. The Transition Organization is shown on Figure 1, consisting of the Transition Manager (along with Oak Ridge and Amarillo Transition Leads), the CEO and COO, and the other key personnel (including the UPF Project Director but excluding the UPF Project Manager, who is focused on "standing up" and executing the Bechtel National, Inc., subcontract). The balance of the transition team supports the Transition Manager and the key personnel.

The Transition Manager is responsible for delivering a completed project, i.e., the Transition, which includes overall management of the transition process (scope, schedule, budget, and approach). The Transition Manager will coordinate with the NNSA Transition Manager and incumbent contractor Transition Manager(s) to integrate efforts, channel communications, resolve issues, and track progress. The Transition Manager will schedule and lead a weekly formal coordination meeting of the three transition managers.

Jim Haynes, Chief Executive Officer, and Jim Allen, Chief Operating Officer, will focus on safety, overall quality of deliverables, customer relations, employee relations, stakeholder relations, communications (other than transition process communications), and overall readiness to execute missions. Jim Haynes will personally focus on human resources aspects of transition and will personally approve key human resources related decisions and deliverables. Jim Allen will personally focus on mission execution readiness.

The other key personnel will focus on understanding their areas of responsibilities, including human resources, facilities, procedures, work processes, safety, and risks. They will oversee preparation of the required deliverables in their areas of responsibility, develop staffing plans, work with Human Resources to fill their staffing plans, oversee blue sheeting of procedures (a process to identify whether the procedure will be adopted as is, cancelled, or changed) and due diligence walkdowns, and present the readiness status for their areas. They also "own" the other transition actions that must be completed within their organizational responsibilities. Key personnel are assisted by specialist support personnel who are assigned specifically to execute transition tasks.

# 4. Transition Scope

In summary, the scope of work for transition is to **perform all activities necessary to be prepared to assume full responsibility for the contract requirements.** Therefore, any activities not specifically identified in this plan are included in the transition scope if they meet this definition. Also, this baseline plan may be modified as necessary to merge it with NNSA and incumbent plans for a fully integrated Transition Plan.

Contract deliverables that are due during the transition period, their due dates, and the responsible manager are specified in Figure 2, Transition Deliverables. Deliverables are listed in order of their scheduled delivery date (elapsed time from the effective date of the contract). The transition work breakdown structure (WBS) element that contains each deliverable is listed, along with the RFP section that requires each deliverable.

The work covered by this plan is organized into a WBS based on key personnel responsibilities, which encompass the entire scope of work. Figure 3 is the Summary Transition WBS chart, and Figures 4 through 15 are the detailed WBS charts for each area. The organizational breakdown structure is also shown on these charts by identifying the key personnel and their direct reporting positions and activities.

# 5. Transition Schedule

Figure 16 is the Transition Schedule, which is based on the Transition WBS described in Section 4, Transition Scope. Transition deliverables are identified in the schedule with a number that corresponds to the list of deliverables in Figure 2. The Transition Schedule is based on the resources reflected in Section 6, Transition Staffing.

The schedule critical path includes travel to the site(s), obtaining access credentials, incumbent briefings, employee mapping to the CNS organization, staffing plan development and approval, hiring the CNS employees, benefit enrollment, and readiness reviews and approvals. Other activities that could become part of the critical path include the "blue sheeting" procedure and benefit plan preparation and approval. However, the blue sheeting process can be accelerated if necessary by adding resources, and the benefit plans do not absolutely constrain hiring the workforce (i.e., if necessary, the workforce can be hired with existing plans that are subject to change upon NNSA approval).

# 6. Transition Staffing

Figure 17, Transition Staffing Plan, is the basis of the Transition Schedule in Section 5 as well as the cost estimate. The staffing plan also supports the Transition Cost Estimate, which is a separate transition deliverable in parallel with this plan. Figure 18 is the Transition Staffing Curve, which shows a requirement for an average of 117 staff during the 17 weeks of transition and a peak of 149 staff, excluding the UPF. The gap between base and peak requirements is smaller than might be expected due to the 4-month schedule, enabling a degree of resource leveling; some personnel can move between tasks such as staffing, walkdowns, and procedure blue sheeting as needed to keep all of these activities on schedule. The staffing plan and curve include staff based in Amarillo and staff based in Oak Ridge. This difference is better understood by considering that the Oak Ridge-based staff includes all but one (Weapons Assembly/Disassembly) of the key personnel. While based in Oak Ridge, the key personnel (except Uranium Operations) will spend an appropriate amount of their time in Amarillo. Other specialists based in Oak Ridge will also travel to Amarillo to lead or support their assigned tasks at both plants.

# 7. Transition Communications

With appropriate NNSA coordination, CNS will be open and accessible in communications with all parties. However, during transition, communications will necessarily be controlled to avoid interfering in ongoing work. Jim Haynes will be responsible for implementing our Transition Communications Plan (Appendix A), which will be finalized and implemented after contract award in coordination with NNSA and the incumbent contractor. For media interactions, Jim Haynes or his designated communications representative will speak for the company after coordinating with NNSA. In Jim's absence, Jim Allen will fill that role. We will use a Web site (www.cnstransition.com) to make information, especially human resources information, available in a timely manner as transition progresses. The Web site will include an email link to enable employees to submit questions, and answers will be posted on the Web site. "Town hall" meetings will be held after working hours for all employees on a voluntary basis. These will be led by Jim Haynes, supported by other key personnel. The leadership team will listen carefully at these meetings, record questions, and promptly post answers on the Web site.

In coordination with NNSA, meetings will be scheduled with regulators and key stakeholders. During these meetings, we will listen carefully for any concerns expressed or requests made and will follow up appropriately. Our Community Commitment Plan will be delivered following coordination and agreement with key stakeholders.

Coordination meetings will be held throughout transition as follows:

- Initial briefings and Q&A sessions led by NNSA and the incumbent contractor.
- Plan-of-the-day meetings each afternoon led by the CNS Transition Manager and including, as a minimum, the CNS key personnel. These meetings will plan the next day's activities.
- Weekly transition team meetings attended, as a minimum, by the transition managers for CNS, NNSA, and the incumbent contractor.
- Meetings of key and support personnel with incumbent contractor counterparts and subject matter experts for turnover of information and issue resolution.

- Monthly progress review meetings to formally assess progress compared to scope, schedule, and budget and to identify and resolve issues. NNSA and the incumbent contractor will be invited to attend.
- Mid-course review with NNSA to formally present progress and plans to complete the transition on schedule.
- Change Management Council (CMC) readiness review meetings. The CMC, comprising NNSA (as desired) and the CEO, COO, Mission Support, Mission Assurance, and Transformation managers, will review individual transition elements and deliverables as they are completed; culminating in the final CMC readiness review and presentation to NNSA.

In addition to the structured regime of meetings, other communication activities will be ongoing during transition. With NNSA approval we will establish an integrated transition team, led by the CNS Transition Manager and including the NNSA Transition Manager and incumbent contractor Transition Manager, to manage the overall transition process. They will meet regularly and distribute coordinated messages to and from their respective transition teams. Jim Haynes and Jim Allen will be in continuous communication with the Contracting Officer's Representative (COR) and will sign all formal correspondence to the COR. Our Contracts Manager will sign correspondence to the Contracting Officer. Our key personnel will communicate and coordinate with their NNSA counterparts throughout transition. Some examples of additional communications activities follow:

- CNS expects that the incumbent contractor will provide detailed briefings and make available necessary information at the beginning of transition. As indicated above, the incumbent contractor's Transition Manager will be in close communication and coordination with our Transition Manager. Our Transition Manager will obtain approval from the incumbent contractor Transition Manager for all direct contact with incumbent contractor personnel (other than "town hall" meetings outside normal working hours). It is anticipated that the incumbent contractor Transition Manager will facilitate availability of the necessary incumbent personnel. Once contact is approved, CNS key and support personnel will be in contact with approved points of contact throughout transition as necessary to complete transition activities. Formal correspondence with the incumbent contractor will be signed by Jim Haynes or Jim Allen, except for working correspondence between transition managers.
- Subcontractors that are assigned or otherwise assumed by CNS will be formally notified by CNS, with appropriate documentation provided, including any communication regarding organizational changes or other information necessary for the subcontractors to continue performing effectively. If any current subcontractors are not needed by CNS, we will notify the incumbent contractor as early as possible, and the incumbent contractor will be responsible for termination of the subcontract.
- For incumbent employees, we will set up a Web site for continuous information updates and Q&A as transition progresses, and we will conduct town hall meetings after working hours. With NNSA and incumbent contractor concurrence, all employees will be informed early in transition of the process we will follow to staff CNS with incumbent employees. Formal offers will be made to employees selected for hire by CNS no later than 90 days after start of transition, and once offers are accepted, benefits enrollment will occur. Once CNS notifies the incumbent contractor that specific employees will not be hired by CNS, the incumbent contractor will manage the communication and termination process for employees who are not selected for hire.

- CNS will meet early in transition with authorized representatives of the collective bargaining unit employees to jointly establish and implement a protocol for effective and appropriate communication with bargaining unit employees during transition. CNS will establish positive labor-management relations by adopting the current Collective Bargaining Agreements (CBAs) (adoption may be for a limited time), following the agreed communications protocol, and regularly soliciting input from the represented workforce.

# 8. Continuity of Operations and Security

The approach described throughout this Transition Plan is designed to minimize impacts on continuity of operations. Specific elements of the approach that are applicable include the following:

- All meetings, requests for information, requests for support, and requests for access will be coordinated through the incumbent contractor's Transition Manager. Exceptions include CEO/COO to CEO/COO contacts as well as contacts between CNS key personnel and their incumbent counterparts, once authorized.
- CNS will avoid communicating directly with incumbent employees during normal working hours without the concurrence of the incumbent contractor, except for the essential actions necessary to support hiring of the CNS workforce. For example, the protocol for arranging interviews of incumbent personnel will be coordinated with the incumbent contractor. However, once approval has been obtained for coordination or communication with specific individuals within the incumbent organization, or following specified protocols, such coordination will continue as necessary.
- CNS will establish and adhere to specific criteria related to the hiring process. We do not plan to interview all incumbent employees (which would take them briefly away from their work). However, candidates for management and supervisory positions, subject matter experts, or other identified critical skill positions will be interviewed, if CNS deems necessary, based on the established criteria. Leadership positions will be filled first, and once the mid-level and senior-level managers are selected and accept their offers, they will be engaged in the hiring process for their organizations. Engagement of these incumbent employees in the hiring process as well as interviews with incumbent employees will be coordinated through the incumbent contractor Transition Manager and Human Resources Manager as described in the preceding paragraph.
- Information will be provided to incumbent employees through our Web site, town hall meetings, and mailings to their home addresses, which will be timely and adequate, avoiding unnecessary distractions at work.
- Employees and budgets will be mapped to the CNS structure during transition so that work will be continuous after contract takeover.
- Procedures and work packages necessary for continuity of operations will be blue sheeted and adopted by CNS prior to contract takeover.
- We assume that management and operating systems, permits, licenses, safety bases, work control processes, and subcontracts will remain in place at contract takeover to the extent they are needed by CNS. Only necessary modifications will be made in these areas to enable CNS to assume responsibility. Applications for modifications to convert permits to CNS responsibility will be made as early as possible to allow for regulatory review and approval.

- Incumbent contractor work packages (both direct and indirect) that are scheduled to be either ongoing at contract takeover after transition or starting up within 90 days after transition completion will be mapped to the responsible CNS organization and adopted (blue sheeted) as appropriate by CNS under the direction of the responsible key personnel. This measure will enable continuity of operations and will keep critical work on schedule. Where changes to work packages are required (due to scope, organizational responsibilities, project team composition, schedule, budget, or approach), the minimum necessary adjustments will be made to the work package through the blue sheeting process. If, during transition, we determine that any incumbent contractor work packages are inapplicable or unnecessary, the incumbent contractor will be informed so that the work package can be closed at contract takeover. Work packages covering work starting 90 days or more after transition will be prepared by the CNS team after contract takeover. Work packages for this work that have already been prepared or partially prepared will be used as a basis for CNS work packages as appropriate.
- Incumbent contractor budgets will be mapped to the CNS WBS, consistent with the mapping of incumbent contractor employees and subcontractors to CNS staffing and execution plans. Budgets will be reallocated consistent with our proposal, and the revised budget structure will be in place at contract takeover. This transition activity will be closely coordinated with the incumbent contractor to ensure continuity of operations. Additional work that may be necessary due to pre-existing conditions (e.g., facility conditions or waste inventories) will be documented and reviewed with NNSA to ensure that they are appropriately addressed in baseline documents.
- CNS will ensure that no disruption of site protection program requirements occurs by designating a safeguards and security transition lead to coordinate all required transition activities with incumbent safeguards and security managers. We support continuity of operations during transition by establishing workarounds for scheduled site security project upgrades, security assessments, systems performance testing, and Protective Force (PF) training activities. We also ensure PF labor stability by working closely with site PF unions (IGUA/SPFPA) during transition to identify current PF labor issues and adopt existing collective bargaining agreements.

When CNS assumes full responsibility for the contract scope of work, immediately following transition, deliberate steps will be taken to ensure continuity of operations, including the following:

- Senior management will conduct safety briefings of all employees.
- Training and qualifications necessary to fill assigned positions will be verified.
- Supervisors and managers will observe work within their areas of responsibility.
- Mitigation plans will be implemented for risks that have been identified.

Any dispute that could impact transition among the CNS transition team members and the incumbent contractor's personnel will be referred to the responsible CNS manager (key person), who will quickly evaluate whether the dispute could have an impact on scope, schedule, or cost of transition. If so, he will immediately bring the issue to the Transition Manager, who will attempt to resolve it with the incumbent contractor's Transition Manager (and the NNSA Transition Manager, as appropriate). Most issues will be resolved at this point, but if quick resolution is not apparent, the dispute will be referred to the CNS COO or CEO, who will attempt to resolve the issue with the incumbent contractor's senior official. If this is unsuccessful, the Contracting Officer will be formally notified

of the dispute and its potential impact to transition scope, schedule, or cost. Contracting Officer direction will be requested if such a case arises.

The approach for resolving a safety dispute arising during facility walkdowns is described in Section 11.

# 9. Human Resources Management

This is the most critical activity of transition, involving several broad groupings of activity, including defining and gaining approval of the benefits and compensation plans and staffing of the CNS workforce. Human Resources Transition Deliverables are identified in Figure 2 and the Transition Schedule (Figure 16).

Necessary benefit activities include transfer of the existing defined benefit plan to CNS, defining CNS benefit plans in accordance with our proposal, obtaining an Employee Benefits Value Study, and obtaining corporate approvals; obtaining NNSA approvals; filing regulatory documents; naming fiduciary members of the Benefits Committee; communications with incumbent employees; and open enrollment activities.

While every effort will be made to obtain NNSA approval to implement all benefit changes prior to enrollment of employees hired into CNS, it is recognized that this may not be achievable. In the event that revised plans are not approved prior to hiring and enrollment of the workforce, the Offers of Employment will be consistent with the incumbent contractor benefit plan, and clearly stated as subject to change during the first year of the contract.

In establishing the initial workforce, CNS will give a right of first refusal of employment for every position identified by CNS as necessary for completing the requirements of the contract (other than positions occupied by key personnel and managers reporting directly to them) to incumbent employees as defined in the Request for Proposal (RFP) who meet the qualifications for a particular position.

The major steps involved in staffing CNS with non-union represented employees are as follows:

- Human Resources, with participation of the functional areas, will conduct a mapping workshop to align incumbent employees to the CNS organization.
- CNS key personnel managers will prepare their staffing plans to include the positions that will be required in the new organization, without names.
- The CEO/COO will review and approve the CNS Staffing Plan prior to submittal to NNSA.
- Incumbent employees interested in CNS positions may submit their resumes to Human Resources for review at the beginning of the transition period.
- CNS management, with assistance from Human Resources, will review all resumes for their respective areas and map qualified candidates to open positions. Interviews will be conducted as necessary and in compliance with the established criteria.
- CNS management and Human Resources retain the sole right of determining if an application for a position meets all the qualifications for a given position.

- Human Resources reviews recommended hiring actions for compliance and coordinates any necessary adjustments with the applicable key personnel managers.
- The CMC reviews and approves the compliance report prior to submittal to NNSA.
- Human Resources issues Offers of Employment to each employee who is selected.
- Employees accept offers, and new offers are made to alternates for any positions that are declined.
- Open enrollment activities occur once offers are accepted.

Note: E-Verify activities only relate to I-9 verification and do not occur until the first day of employment. This will be included as part of the on-boarding process.

This approach takes care to identify and consider **ALL** incumbent employees (including part time employees, those on short term and long term leave, interns, and personal service agreements such as subcontractor personnel in staff augmentation roles).

For union-represented employees, our Labor Relations Representative will coordinate CNS signing of the current CBAs. Labor Relations will coordinate with union representatives, Human Resources, and the key personnel managers to map bargaining unit employees to the staffing plan. Human Resources and Labor Relations will hold enrollment sessions for the bargaining unit employees based on benefits that are consistent with the adopted CBAs.

# 10. Financial Management

In addition to actions that are usually required for transition of financial management, the combination of two production sites under a single contract and management structure mandates that certain aspects be combined during transition so that operations are functional on day one of assuming the contract. While the actual merger of the two financial processes and systems will require an 18-to-24-month period, certain reports and financial transactions must be combined on day one of assuming contract operations, including the following:

- A Single Letter of Credit will require that a process be established to consolidate both sites' daily financial transactions to support a single daily US Treasury drawdown and a single monthly 924 report.
- A single Authorized Funding Plan (AFP) will be required based on the single contract ID. Therefore, a process must be developed to separate the funding between the two locations and to load the AFPs into the two respective financial systems. Funds controls will continue to be managed separately at each site until future process merger occurs.
- STARS (the Department of Energy [DOE] financial reporting system) reporting will require that we develop an electronic application that can receive the separate STARS files from each site and combine them into one consolidated DOE submittal.
- Other DOE required reports (including Institutional Cost reports, Ledger Certifications, etc.) will also require that we develop processes to combine data from the two sites for reporting purposes.

- An Interim Cost Model and Disclosure statement will need to be developed and the rates determined and applied as of the first day of assuming contract operations. The CNS organization and associated costs will need to be mapped into the new cost model. In addition, a determination of appropriate UPF institutional level costs will need to made and mapped into the cost model. NNSA will review and approve the new cost model.

# 11. Facility Walkdowns, Due Diligence, Material Differences, and Property Inventories

Our team will conduct detailed walkdowns of the facilities and document their conditions and situations. Appendix B contains our Facility Assessment Checklists. It is a system of 11 checklists, starting with a general Pre-Existing Conditions Checklist applicable to all facilities. The system is governed by a flow chart (page 2 of Appendix B) that instructs our users on the checklists that apply to specific facilities. Each person involved in facility walkdowns will be instructed in the use of the checklist system and the level of detailed documentation required. The term "facility" is intended to encompass all buildings, sites, systems, facilities, waste sites, property, and services for which CNS will be responsible.

The process of walking down facilities and using the checklists to document pre-existing conditions, hazards, regulatory requirements, working conditions, etc., will also familiarize our team with their areas of responsibility and the risks involved. This activity will require a concentrated effort governed by a disciplined process and schedule; accordingly, we will use the system of checklists for all walkdowns of facilities and areas. The checklist system enables a graded approach to documenting walkdowns, depending on the type of facilities, regulatory requirements, or hazards involved. The completed checklists will be used to demonstrate that due diligence was applied to understanding, assessing, and communicating the nature of work that will be undertaken and the working conditions involved, along with risks and limiting conditions.

If any significant differences are observed between actual conditions and conditions described in materials made available to bidders as part of the basis for proposal preparation, these differences will be documented and evaluated for potential inclusion in baseline documents and a Statement of Material Differences report, which will be provided to the Contracting Officer at the end of transition, if warranted. Relevant information that was made available to bidders will be provided to key personnel managers for reference prior to conducting walkdowns.

Based on our experience conducting other contract transitions, we recognize that we may encounter one or more situations that appear unsafe to CNS personnel conducting walkdowns. If this occurs, our approach will be as follows. First, the CNS employee will inform the incumbent manager or escort who is supporting the walkdown. If the CNS employee is still concerned that the situation will remain unsafe, the CNS responsible manager will be informed. The CNS manager will contact his incumbent counterpart, and if necessary, elevate the issue to the CNS COO. Depending on the potential hazard, time sensitivity, and intractability, the CNS COO will not hesitate to contact NNSA for resolution. This approach is consistent with the dispute resolution process described in Section 8.

CNS and the incumbent contractor will jointly perform physical inventories of accountable high-risk and sensitive property where feasible. The option to conduct confirmation sampling will also be considered for those special nuclear material (SNM) items that are tracked separately. The balance of the real and personal property inventory will be statistically sampled during transition to gain confidence in the existing property inventory. Any major discrepancies found will be documented to the Contracting Officer.

# 12. Transition Facilities

It is possible that NNSA will provide facilities and equipment for our transition team. However, this plan is based on CNS arranging its own transition offices. We have identified the first floor of 105 Mitchell Road as the preferred facility in Oak Ridge. It will serve as the overall headquarters for CNS transition. For the Amarillo office, the preferred facility is 720 S. Tyler Street. The facility information and estimating basis are included in Appendix C.

The plan for transition facilities does not include facilities or equipment to work with unclassified controlled nuclear information (UCNI) or classified information. It is assumed that classified and UCNI information will be accessed through the incumbent contractor in onsite facilities as necessary and appropriate to complete transition. The CNS transition team will work with official use only (OUO) information in the transition offices, and all team members will be trained on the requirements for protecting OUO information.

# 13. Readiness Reviews and Transition Closeout

Readiness reviews by the CMC for individual aspects of transition will occur as substantial tasks are completed. Once approved by the CMC, specific tasks and transition WBS elements will be documented as complete. The CMC will hold a Final Readiness Review with NNSA Project Office (NPO) participation near the end of the transition schedule, which will verify that all previously approved task completions and those completed but not yet approved constitute completion of all transition activities. This final review will also verify that all CNS key personnel managers have systems, approvals, governance documents, processes, and qualified people in place for the first day of full contract responsibility. The review will also determine that our Risk Management approach has been applied to identify the major risks to successful assumption of contract responsibility and that effective mitigation plans are in place for implementation.

Following completion of all action items or adjustments identified in the Final Readiness Review, CNS will present the readiness completion status to NNSA and will subsequently formally notify the Contracting Officer of readiness to assume full responsibility for the work. Upon Contracting Officer written notification that transition is complete, transition will be closed out, and CNS will assume full responsibility for the work at 12:01 a.m. on the date specified by the Contracting Officer.

Transition demobilization will take place separately from the contract takeover activities in order to retain records, capture lessons learned, disposition furniture and equipment, and release the office facilities.

# Figure 1

# Transition Organization Structure

Consolidated Nuclear Security

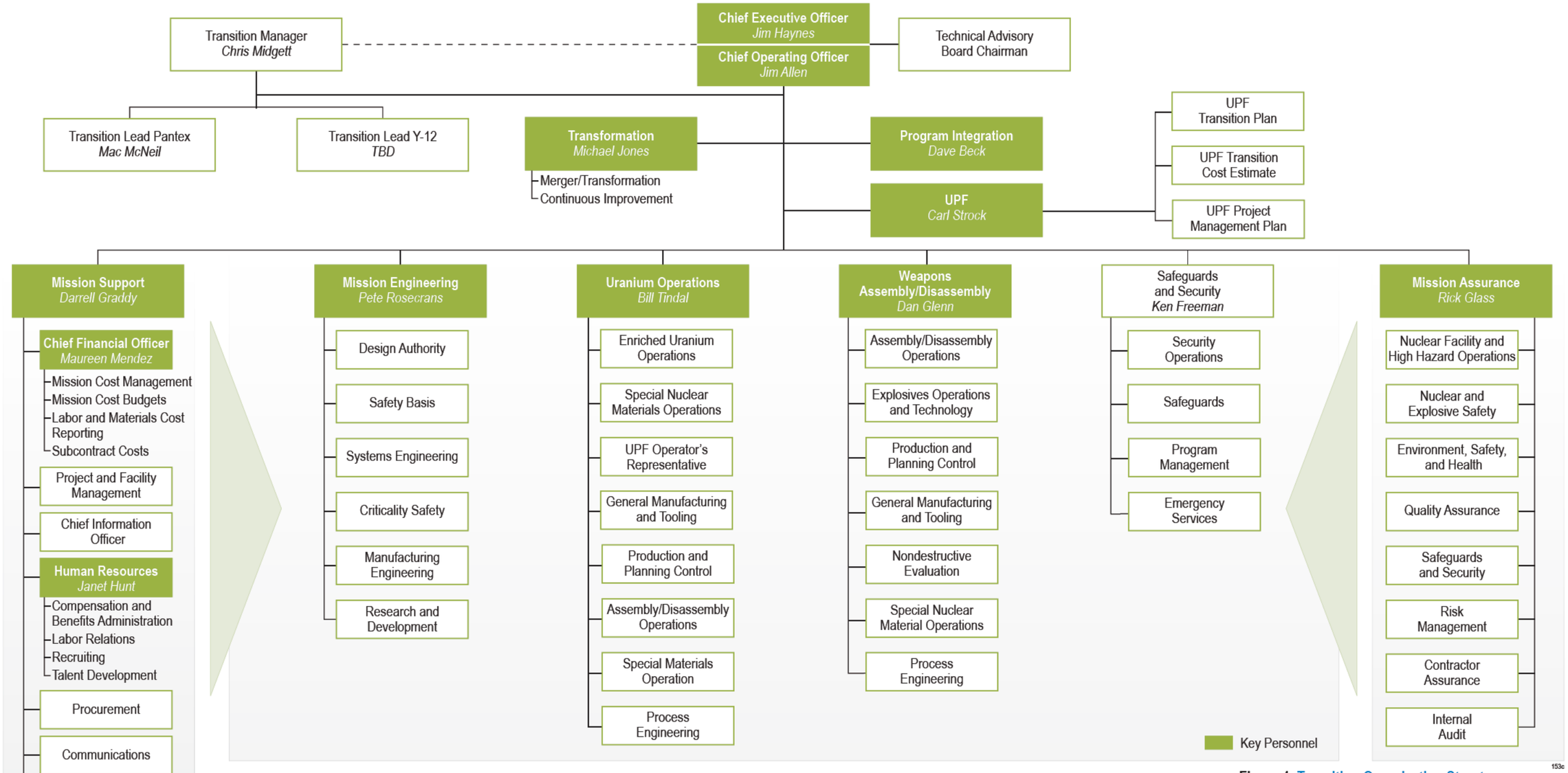



**Figure 1.** Transition Organization Structure.

# Figure 2

# Transition Deliverables

Consolidated Nuclear Security

Figure 2. Transition Deliverables

| No. | Deliverable | Due* | WBS | Owner | RFP Section |
|---|---|---|---|---|---|
| 1 | Transition Plan (includes UPF) | 0 | 1.1.2 | Chris Midgett | F.7(a) |
| 2 | Transition Cost Estimate (includes UPF) | 0 | 1.1.3 | Chris Midgett | F.7(b) |
| 3 | Key Personnel Cost Estimate (includes UPF) | 0 | 1.1.4 | Chris Midgett | F.7(d) |
| 4 | Staffing Plans | 30 | 1.4.4.2.4 | Janet Hunt | J. App A III 2.1 |
| 5 | Benefit Plans (includes Ben-Val Study) | 45 | 1.4.4.1.5 | Janet Hunt | J. App A III 2.2.1 |
| 6 | Merger Transformation Plan (includes Cost Reduction Plan) | 60 | 1.2.1 | Michael Jones | F.7(e), J. App A.III.3.2 |
| 7 | Conflict of Interest Compliance Plan | 60 | 1.4.8.4 | Darrell Graddy | F.7(f) |
| 8 | Offers of Employment | 90 | 1.4.4.2.11 | Janet Hunt | J. App A III 2.3 |
| 9 | Interface Management Plan | 90 | 1.4.7.6 | Darrell Graddy | J. App A I 4.8 |
| 10 | UPF Project Management Plan | 90 | 1.10.3 | Carl Strock | F.7(g) |
| 11 | Advance Understanding on Human Resources | 120 | 1.4.4.1.9 | Janet Hunt | J. App A III 2.4 |
| 12 | Integrated Compensation System Plan and Implementation Timetable | 120 | 1.4.4.1.11 | Janet Hunt | J. App A III 2.2.2 |
| 13 | Community Commitment Plan | 120 | 1.4.6.10 | Darrell Graddy | F.7(c) |

* Calendar days after contract effective date (contract award date)

# Figures 3–15

# WBS Structure

Consolidated Nuclear Security

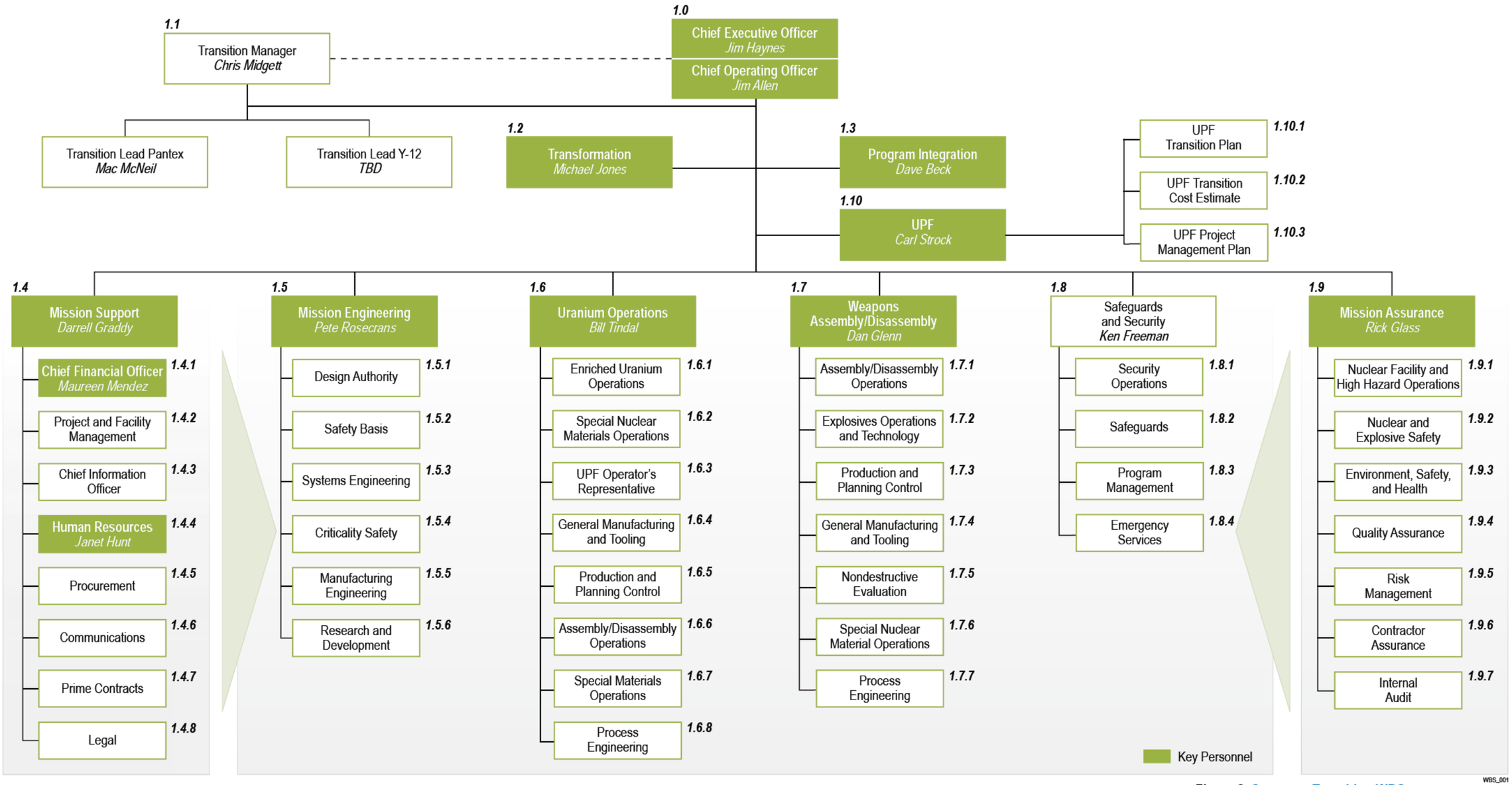



**Figure 3.** Summary Transition WBS.

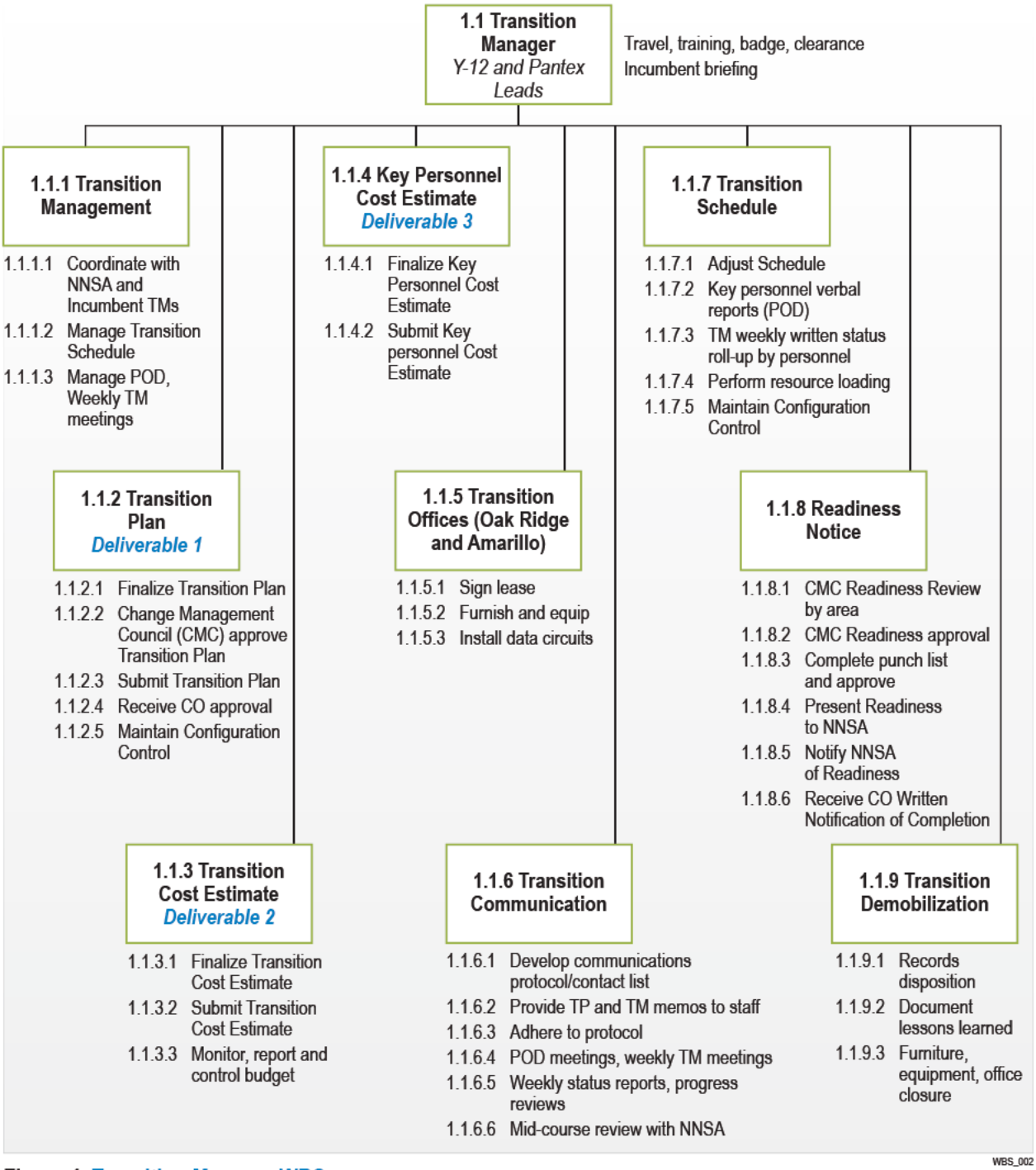



**Figure 4.** Transition Manager WBS.

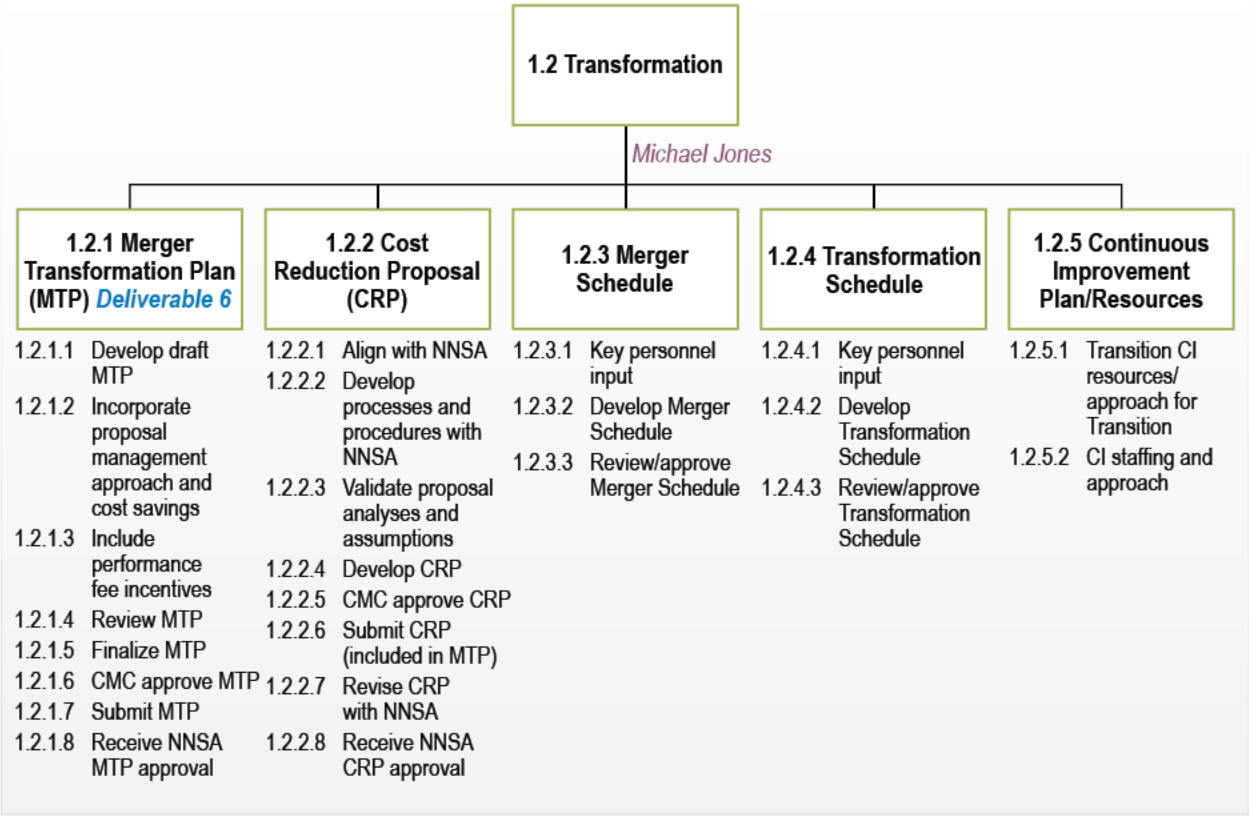



**Figure 5.** Transformation Transition WBS.

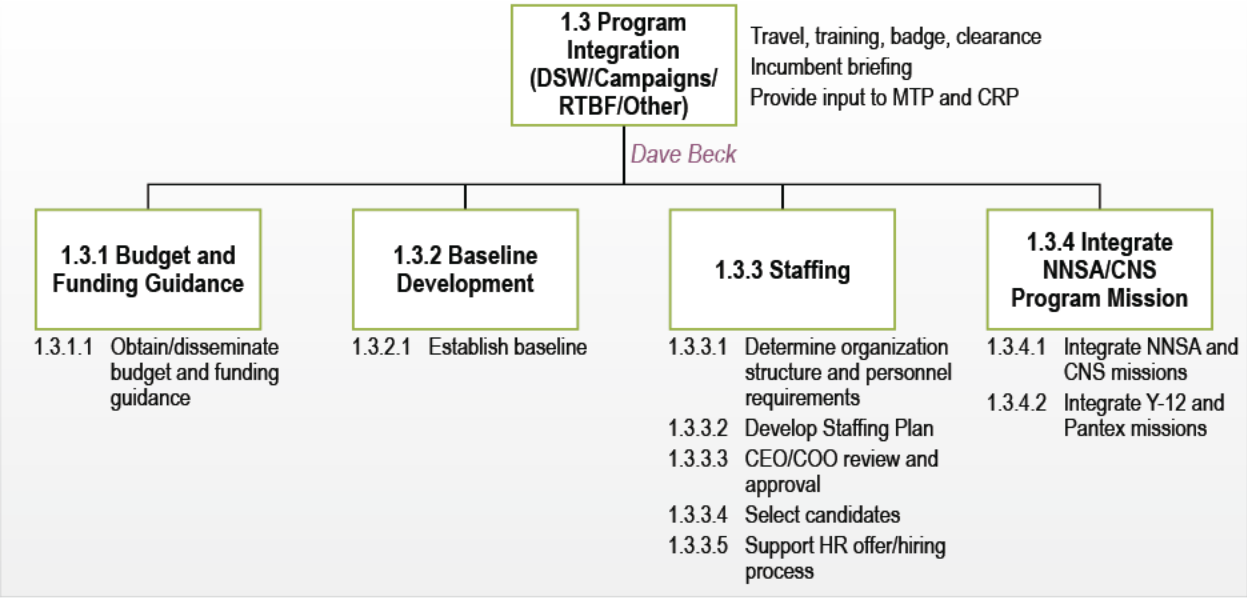



**Figure 6.** Program Integration Transition WBS.

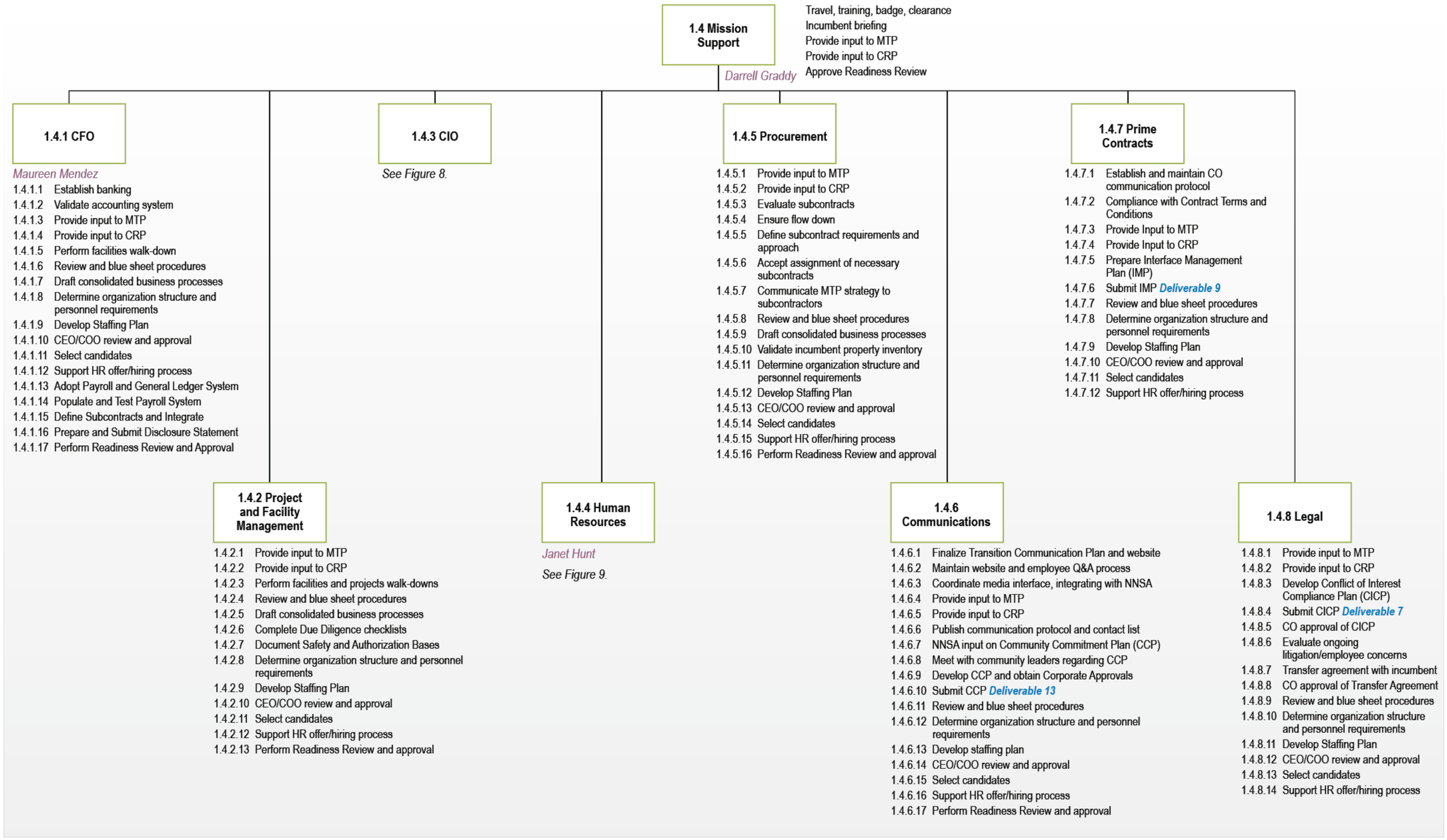



**Figure 7. Mission Support Transition WBS.**

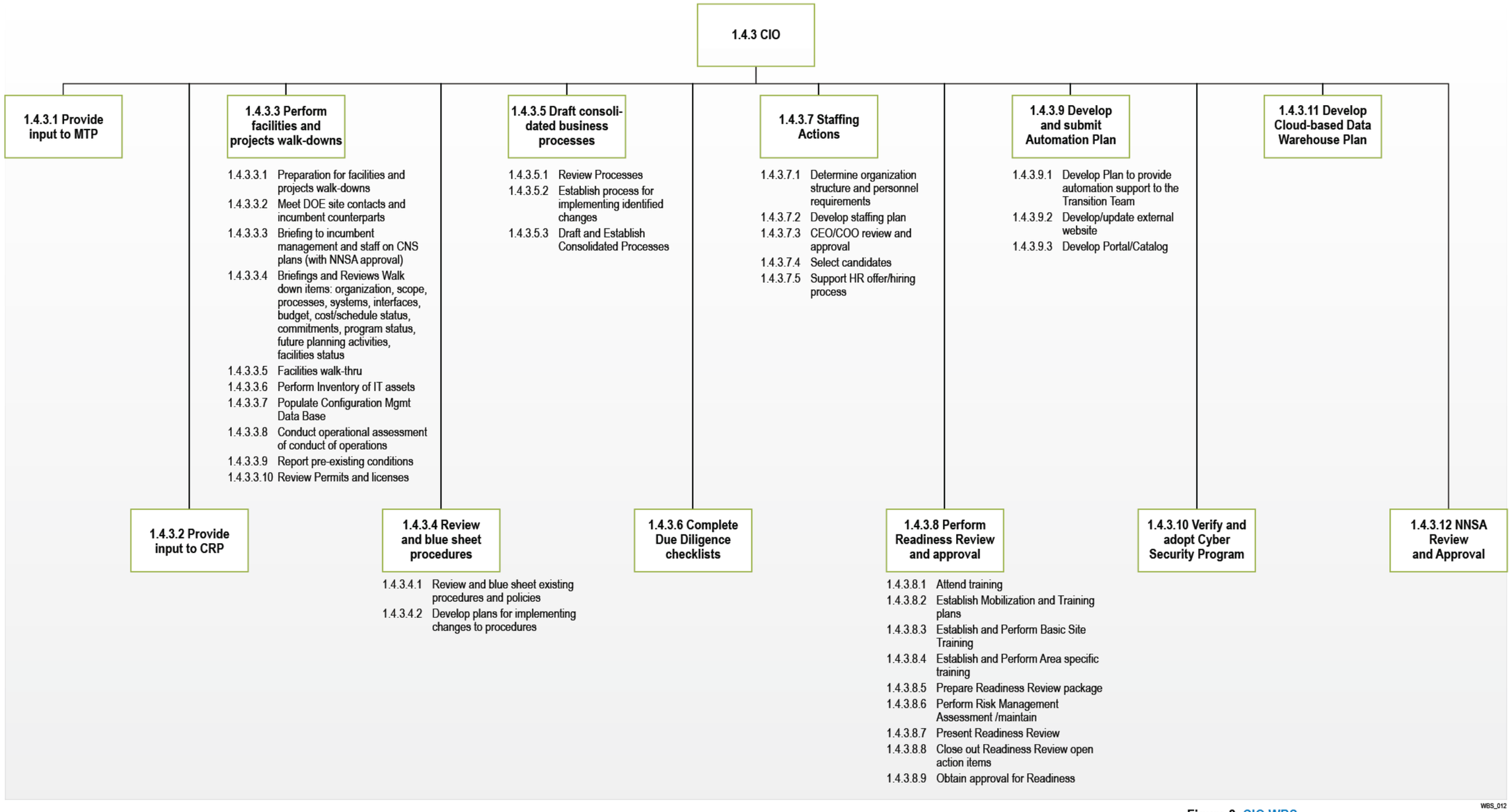



**Figure 8.** CIO WBS.

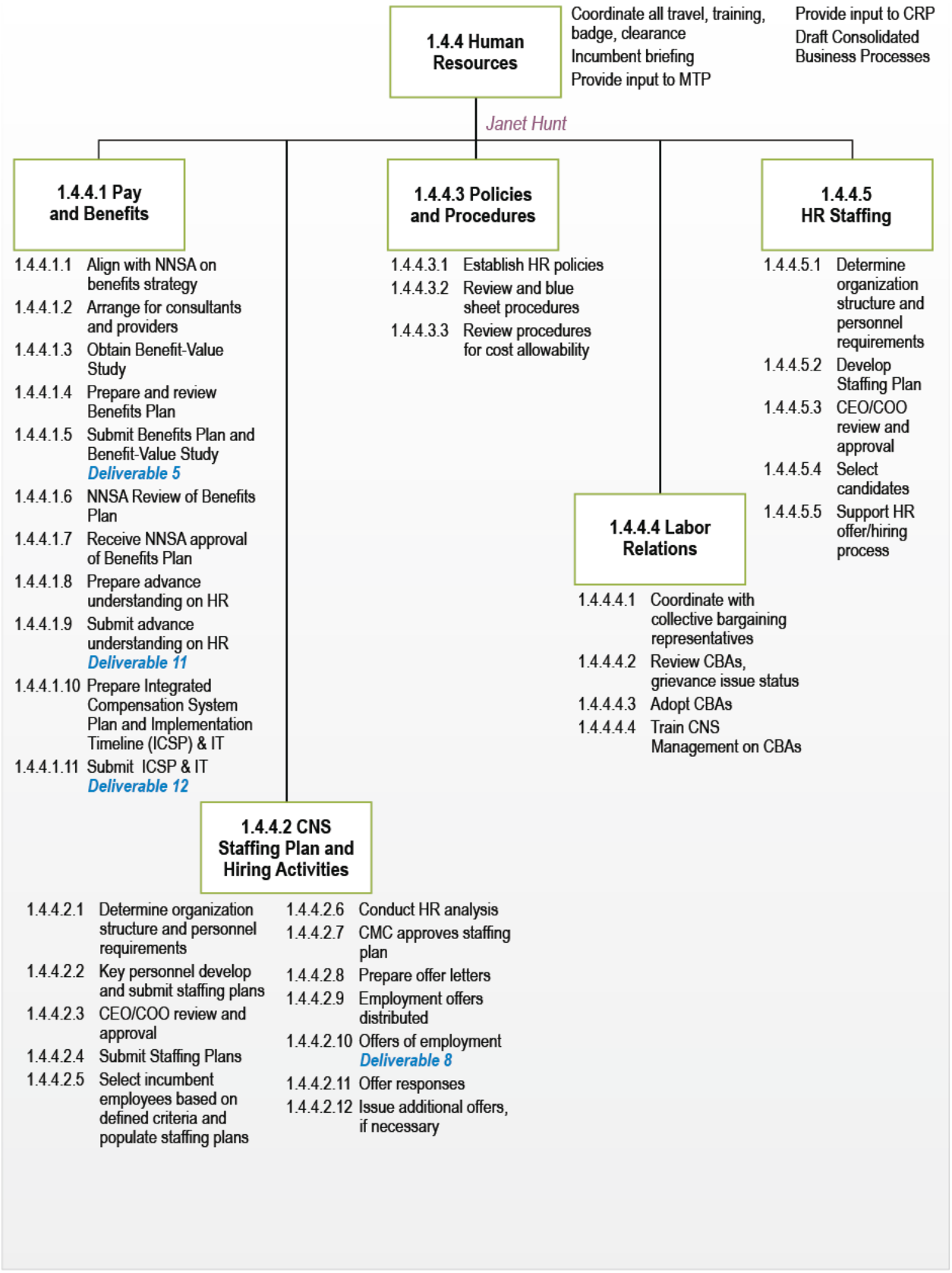
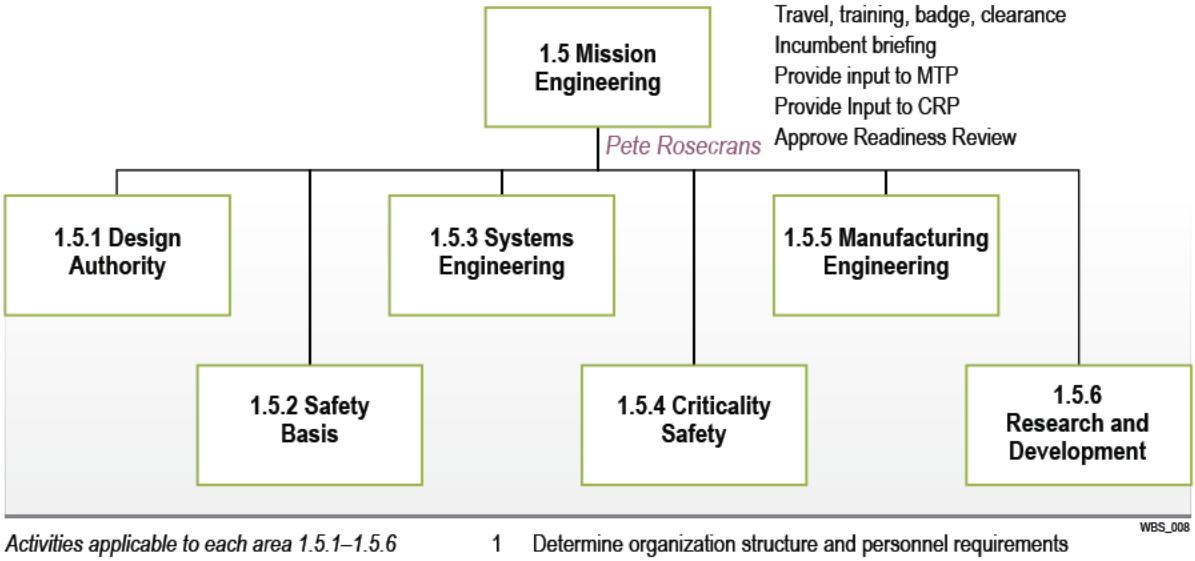


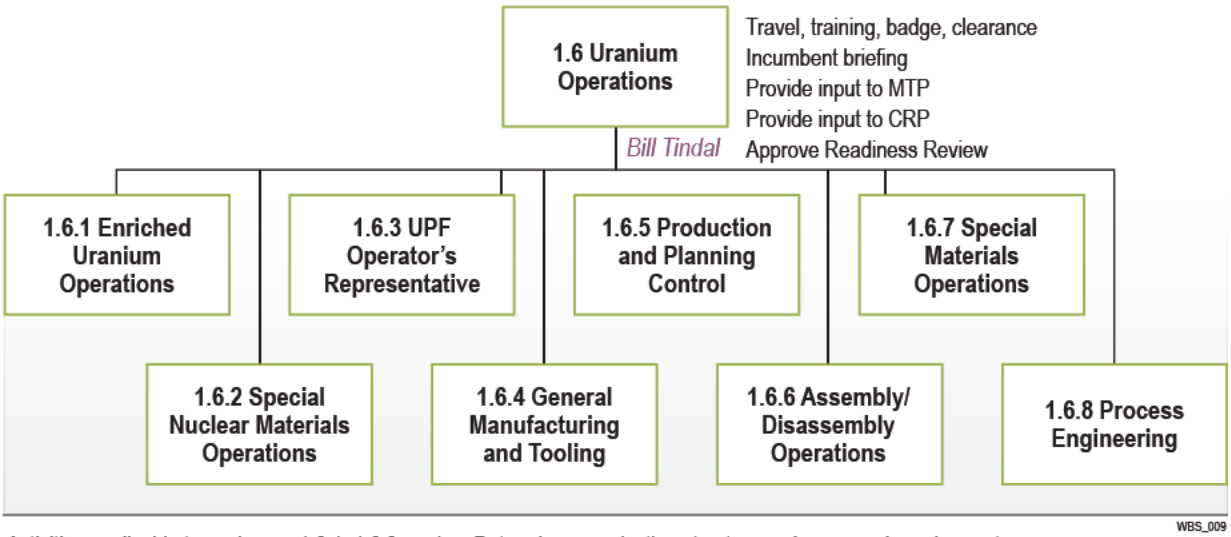

**Figure 9.** Human Resources Transition WBS.




*Activities applicable to each area 1.5.1–1.5.6*

1. Determine organization structure and personnel requirements
2. Develop Staffing Plan
3. CEO/COO review and approval
4. Select candidates
5. Support HR offer/hiring process
6. Develop subcontract requirements
7. Obtain Subcontract capabilities (with Procurement)
8. Develop blue sheet procedures
9. Perform facilities walk-down
10. Complete Due Diligence checklists
11. Resolve issues
12. Perform Readiness Review and approval

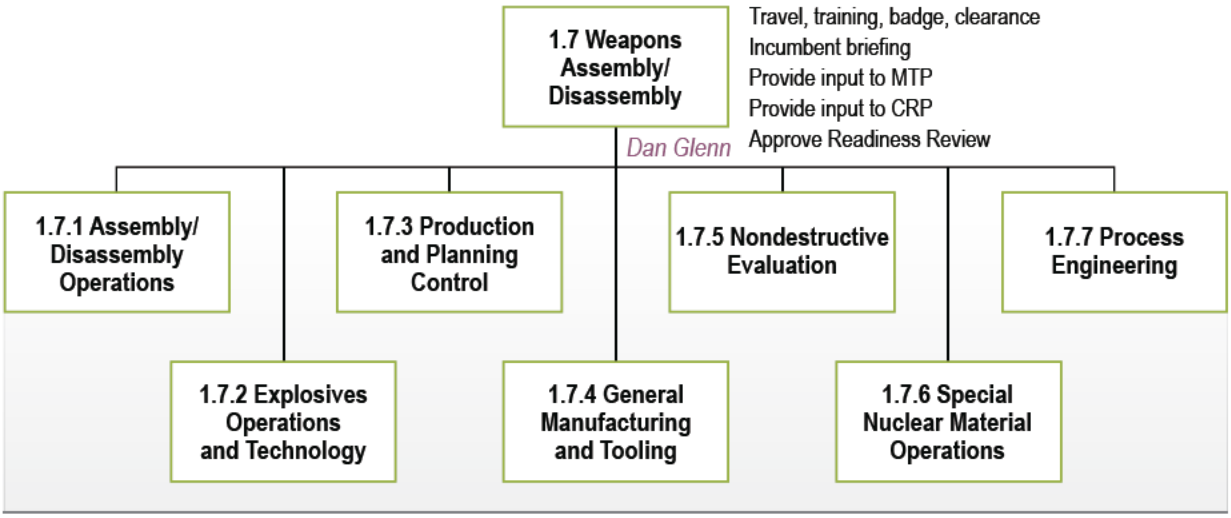
**Figure 10.** Mission Engineering Transition WBS.




*Activities applicable to each area 1.6.1–1.6.8*

1. Determine organization structure and personnel requirements
2. Develop Staffing Plan
3. CEO/COO review and approval
4. Select candidates
5. Support HR offer/hiring process
6. Evaluate subcontracts
7. Define subcontracts
8. Assign subcontracts
9. Develop and obtain joint concurrence for SNM inventory protocol (1.6.2 only)
10. Review and blue sheet procedures
11. Perform facilities walk-down
12. Complete Due Diligence checklists
13. Document Safety and Authorization Bases
14. Document security posture
15. Perform Readiness Review and approval

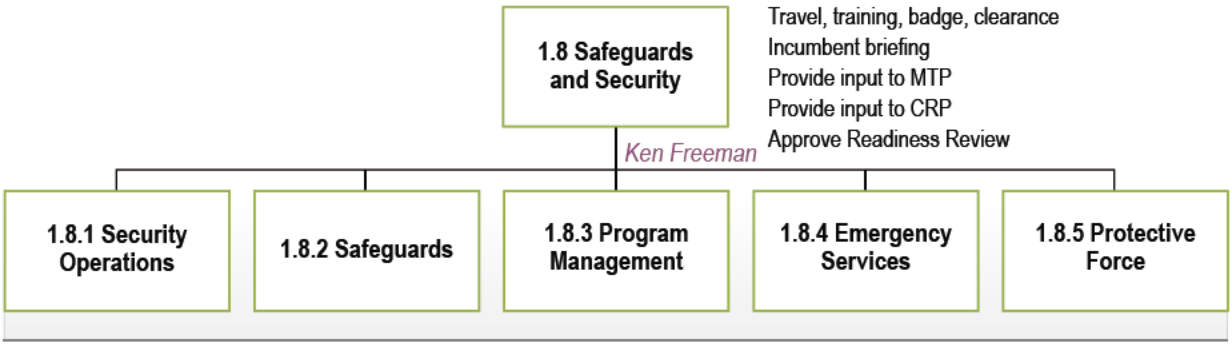
**Figure 11.** Uranium Operations Transition WBS.




*Activities applicable to each area 1.7.1–1.7.7*

1. Determine organization structure and personnel requirements
2. Develop Staffing Plan
3. CEO/COO review and approval
4. Select candidates
5. Support HR offer/hiring process
6. Evaluate subcontracts
7. Define subcontracts
8. Assign subcontracts
9. Develop and obtain joint concurrence for SNM inventory protocol (1.7.6 only)
10. Review and blue sheet procedures
11. Perform facilities walk-down
12. Complete Due Diligence checklists
13. Document Safety and Authorization Bases
14. Document security posture
15. Perform Readiness Review and approval

**Figure 12. Weapons Assembly/Disassembly Transition WBS.**




*Activities applicable to each area 1.8.1–1.8.5*

1. Perform area/facility training
2. Complete Qualification training
3. Provide input to MTP
4. Provide input to CRP
5. Participate in facility walk-downs as applicable
6. Review and blue sheet procedures
7. Inventory/acceptance transfer of PF property (1.8.5 only)
8. Determine organization structure and personnel requirements
9. Develop Staffing Plan
10. CEO/COO review and approval
11. Select candidates
12. Support HR offer/hiring process
13. Review/revise/adopt processes
14. Document security posture
15. Perform Readiness Review and approval

**Figure 13.** Safeguards and Security Transition WBS.

**1.9 Mission Assurance**

Travel, training, badge, clearance
Incumbent briefing
Provide input to MTP
Provide input to CRP
*Rick Glass* Approve Readiness Review

**1.9.1 Nuclear Facility and High Hazard Operations**

1.9.1.1 Perform area/facility training
1.9.1.2 Complete qualification training
1.9.1.3 Provide input to MTP
1.9.1.4 Provide input to CRP
1.9.1.5 Perform facilities walk-down
1.9.1.6 Complete Due Diligence checklists
1.9.1.7 Review and blue sheet procedures
1.9.1.8 Review/revise/adopt processes
1.9.1.9 Determine organization structure and personnel requirements
1.9.1.10 Develop Staffing Plan
1.9.1.11 CEO/COO review and approval
1.9.1.12 Select candidates
1.9.1.13 Support HR offer/hiring process
1.9.1.14 Document Safety and Authorization Bases
1.9.1.15 Perform Readiness Review and approval

**1.9.2 Nuclear and Explosive Safety**

1.9.2.1 Perform area/facility training
1.9.2.2 Complete qualification training
1.9.2.3 Provide input to MTP
1.9.2.4 Provide input to CRP
1.9.2.5 Perform facilities walk-down
1.9.2.6 Complete Due Diligence checklists
1.9.2.7 Review and blue sheet procedures
1.9.2.8 Review/revise/adopt processes
1.9.2.9 Determine organization structure and personnel requirements
1.9.2.10 Develop Staffing Plan
1.9.2.11 CEO/COO review and approval
1.9.2.12 Select candidates
1.9.2.13 Support HR offer/hiring process
1.9.2.14 Document Safety and Authorization Bases
1.9.2.15 Perform Readiness Review and approval

**1.9.3 Environment, Safety, and Health**

1.9.3.1 Perform area/ facility training
1.9.3.2 Complete qualification training
1.9.3.3 Provide input to MTP
1.9.3.4 Provide input to CRP
1.9.3.5 Participate in facility walk-downs
1.9.3.6 Complete Due Diligence Checklists
1.9.3.7 Review and blue sheet procedures
1.9.3.8 Review/revise/adopt processes
1.9.3.9 Determine organization structure and personnel requirements
1.9.3.10 Develop Staffing Plan
1.9.3.11 CEO/COO review and approval
1.9.3.12 Select candidates
1.9.3.13 Support HR offer/hiring process
1.9.3.14 Adopt permits, licenses and regulatory agreements
1.9.3.15 Perform Readiness Review and approval

**1.9.4 Quality Assurance**

1.9.4.1 Perform area/facility training
1.9.4.2 Complete qualification training
1.9.4.3 Provide input to MTP
1.9.4.4 Provide input to CRP
1.9.4.5 Participate in facility walk-downs as applicable
1.9.4.6 Complete Due Diligence checklists
1.9.4.7 Review and blue sheet procedures
1.9.4.8 Review/revise/adopt processes
1.9.4.9 Determine organization structure and personnel requirements
1.9.4.10 Develop Staffing Plan
1.9.4.11 CEO/COO review and approval
1.9.4.12 Select candidates
1.9.4.13 Support HR offer/hiring process
1.9.4.14 Develop QA Plan
1.9.4.15 Perform Readiness Review and approval

**1.9.5 Risk Management**

1.9.5.1 Provide input to MTP
1.9.5.2 Provide input to CRP
1.9.5.3 Complete Due Diligence Checklists
1.9.5.4 Review and blue sheet procedures
1.9.5.5 Revise/review/adopt processes
1.9.5.6 Determine organization structure and personnel requirements
1.9.5.7 Develop Staffing Plan
1.9.5.8 CEO/COO review and approval
1.9.5.9 Select candidates
1.9.5.10 Support HR offer/hiring process
1.9.5.11 Establish Risk Management Process
1.9.5.12 Develop Risk Register with key personnel
1.9.5.13 Validate Risks and Mitigation Plans

**1.9.6 Contractor Assurance**

1.9.6.1 Provide input to MTP
1.9.6.2 Provide input to CRP
1.9.6.3 Complete Due Diligence checklists
1.9.6.4 Review and blue sheet procedures
1.9.6.5 Review/revise/adopt processes
1.9.6.6 Determine organization structure and personnel requirements
1.9.6.7 Develop Staffing Plan
1.9.6.8 CEO/COO review and approval
1.9.6.9 Select candidates
1.9.6.10 Support HR offer/hiring process

**1.9.7 Internal Audit**

1.9.7.1 Provide input to MTP
1.9.7.2 Provide input to CRP
1.9.7.3 Complete Due Diligence Checklists
1.9.7.4 Review and blue sheet procedures
1.9.7.5 Review/revise/adopt processses
1.9.7.6 Determine organization structure and personnel requirements
1.9.7.7 Develop Staffing Plan
1.9.7.8 CEO/COO review and approval
1.9.7.9 Select candidates
1.9.7.10 Support HR offer/hiring process
1.9.7.11 Develop Audit Plan with NNSA

WBS_011

**Figure 14. Mission Assurance Transition WBS.**

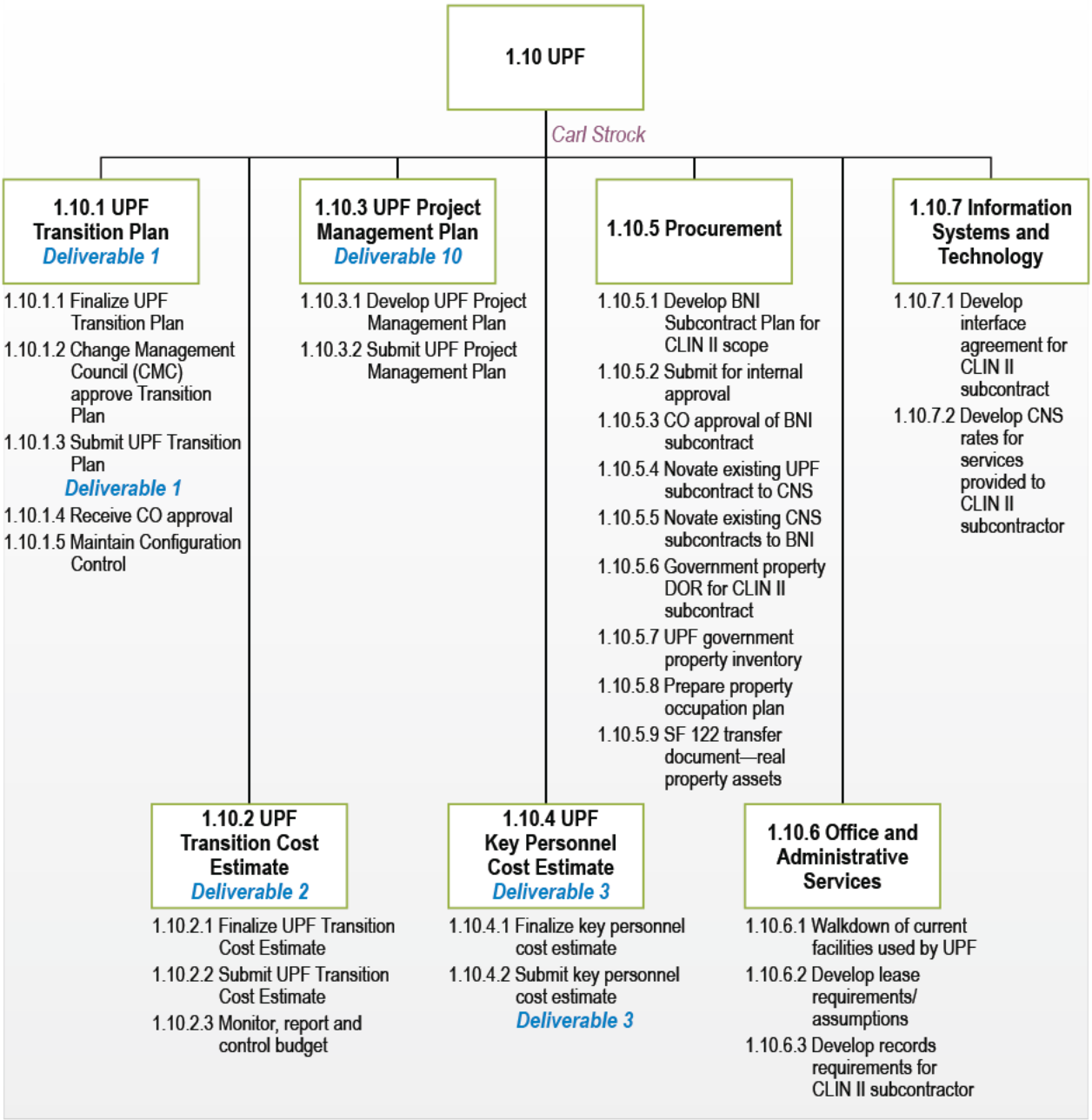



**Figure 15.** UPF Transition WBS.

# Figure 16

# Transition Schedule

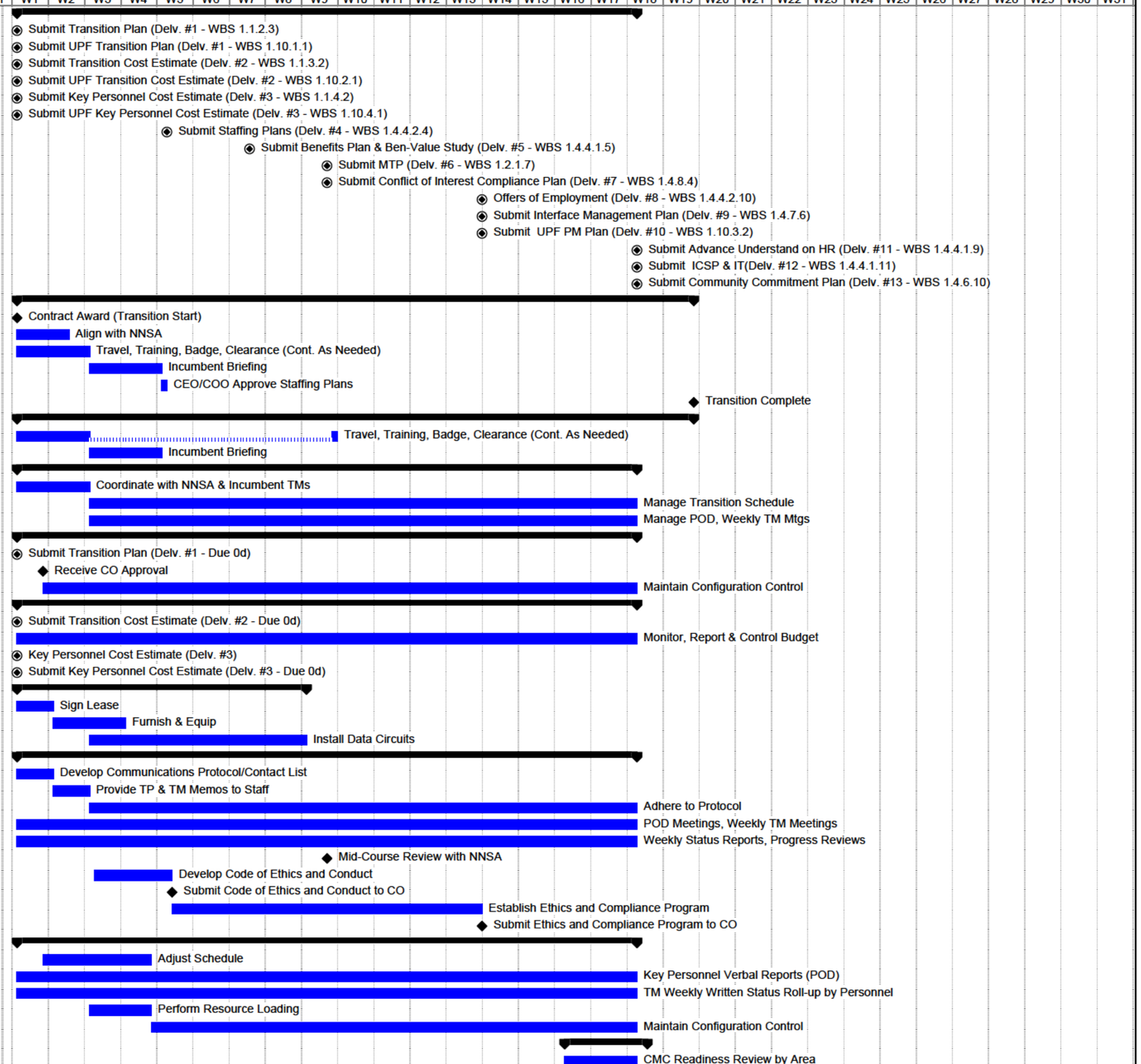
Consolidated Nuclear Security

Control Schedule

# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

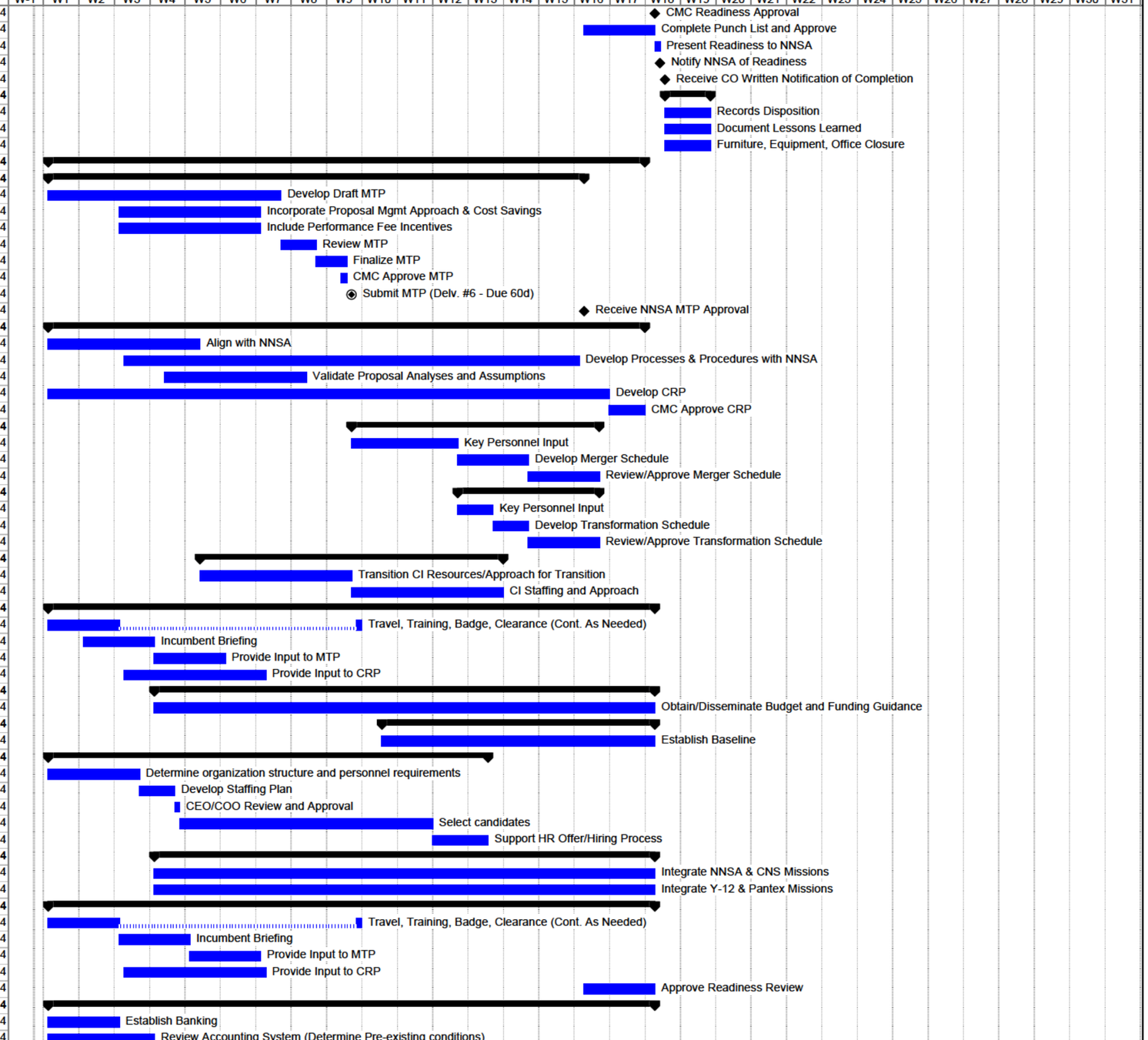
| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 1 | **0** | **Contract Deliverables** | **120 days** | **3/3/2014** | **6/30/2014** |
| 2 | 0.1a | Submit Transition Plan (Delv. #1 - WBS 1.1.2.3) | 0 days | 3/3/2014 | 3/3/2014 |
| 3 | 0.1b | Submit UPF Transition Plan (Delv. #1 - WBS 1.10.1.1) | 0 days | 3/3/2014 | 3/3/2014 |
| 4 | 0.2a | Submit Transition Cost Estimate (Delv. #2 - WBS 1.1.3.2) | 0 days | 3/3/2014 | 3/3/2014 |
| 5 | 0.2b | Submit UPF Transition Cost Estimate (Delv. #2 - WBS 1.10.2.1) | 0 days | 3/3/2014 | 3/3/2014 |
| 6 | 0.3a | Submit Key Personnel Cost Estimate (Delv. #3 - WBS 1.1.4.2) | 0 days | 3/3/2014 | 3/3/2014 |
| 7 | 0.3b | Submit UPF Key Personnel Cost Estimate (Delv. #3 - WBS 1.10.4.1) | 0 days | 3/3/2014 | 3/3/2014 |
| 8 | 0.4 | Submit Staffing Plans (Delv. #4 - WBS 1.4.4.2.4) | 0 days | 3/31/2014 | 3/31/2014 |
| 9 | 0.5 | Submit Benefits Plan & Ben-Value Study (Delv. #5 - WBS 1.4.4.1.5) | 0 days | 4/16/2014 | 4/16/2014 |
| 10 | 0.6 | Submit MTP (Delv. #6 - WBS 1.2.1.7) | 0 days | 5/1/2014 | 5/1/2014 |
| 11 | 0.7 | Submit Conflict of Interest Compliance Plan (Delv. #7 - WBS 1.4.8.4) | 0 days | 5/1/2014 | 5/1/2014 |
| 12 | 0.8 | Offers of Employment (Delv. #8 - WBS 1.4.4.2.10) | 0 days | 5/31/2014 | 5/31/2014 |
| 13 | 0.9 | Submit Interface Management Plan (Delv. #9 - WBS 1.4.7.6) | 0 days | 5/31/2014 | 5/31/2014 |
| 14 | 0.10 | Submit  UPF PM Plan (Delv. #10 - WBS 1.10.3.2) | 0 days | 5/31/2014 | 5/31/2014 |
| 15 | 0.11 | Submit Advance Understand on HR (Delv. #11 - WBS 1.4.4.1.9) | 0 days | 6/30/2014 | 6/30/2014 |
| 16 | 0.12 | Submit  ICSP & IT(Delv. #12 - WBS 1.4.4.1.11) | 0 days | 6/30/2014 | 6/30/2014 |
| 17 | 0.13 | Submit Community Commitment Plan (Delv. #13 - WBS 1.4.6.10) | 0 days | 6/30/2014 | 6/30/2014 |
| 18 | **1.0** | **Transition Project (CEO/COO)** | **131 days** | **3/3/2014** | **7/11/2014** |
| 19 | 1.0 | Contract Award (Transition Start) | 0 days | 3/3/2014 | 3/3/2014 |
| 20 | 1.0 | Align with NNSA | 10 days | 3/3/2014 | 3/12/2014 |
| 21 | 1.0 | Travel, Training, Badge, Clearance (Cont. As Needed) | 14 days | 3/3/2014 | 3/16/2014 |
| 22 | 1.0 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 23 | 1.0 | CEO/COO Approve Staffing Plans | 1 day | 3/31/2014 | 3/31/2014 |
| 24 | 1.0 | Transition Complete | 0 days | 7/11/2014 | 7/11/2014 |
| 25 | **1.1** | **Transition Manager** | **131 days** | **3/3/2014** | **7/11/2014** |
| 26 | 1.1 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 5/3/2014 |
| 27 | 1.1 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 28 | **1.1.1** | **Transition Management** | **120 days** | **3/3/2014** | **6/30/2014** |
| 29 | 1.1.1.1 | Coordinate with NNSA & Incumbent TMs | 14 days | 3/3/2014 | 3/16/2014 |
| 30 | 1.1.1.2 | Manage Transition Schedule | 106 days | 3/17/2014 | 6/30/2014 |
| 31 | 1.1.1.3 | Manage POD, Weekly TM Mtgs | 106 days | 3/17/2014 | 6/30/2014 |
| 32 | **1.1.2** | **Transition Plan (Delv. #1)** | **120 days** | **3/3/2014** | **6/30/2014** |
| 33 | 1.1.2.3 | Submit Transition Plan (Delv. #1 - Due 0d) | 0 days | 3/3/2014 | 3/3/2014 |
| 34 | 1.1.2.4 | Receive CO Approval | 0 days | 3/7/2014 | 3/7/2014 |
| 35 | 1.1.2.5 | Maintain Configuration Control | 115 days | 3/8/2014 | 6/30/2014 |
| 36 | **1.1.3** | **Transition Cost Estimate (Delv. #2)** | **120 days** | **3/3/2014** | **6/30/2014** |
| 37 | 1.1.3.1 | Submit Transition Cost Estimate (Delv. #2 - Due 0d) | 0 days | 3/3/2014 | 3/3/2014 |
| 38 | 1.1.3.2 | Monitor, Report & Control Budget | 120 days | 3/3/2014 | 6/30/2014 |
| 39 | **1.1.4** | **Key Personnel Cost Estimate (Delv. #3)** | **0 days** | **3/3/2014** | **3/3/2014** |
| 40 | 1.1.4.1 | Submit Key Personnel Cost Estimate (Delv. #3 - Due 0d) | 0 days | 3/3/2014 | 3/3/2014 |
| 41 | **1.1.5** | **Transition Offices (Oak Ridge & Amarillo)** | **56 days** | **3/3/2014** | **4/27/2014** |
| 42 | 1.1.5.1 | Sign Lease | 7 days | 3/3/2014 | 3/9/2014 |
| 43 | 1.1.5.2 | Furnish & Equip | 14 days | 3/10/2014 | 3/23/2014 |
| 44 | 1.1.5.3 | Install Data Circuits | 42 days | 3/17/2014 | 4/27/2014 |
| 45 | **1.1.6** | **Transition Communication** | **120 days** | **3/3/2014** | **6/30/2014** |
| 46 | 1.1.6.1 | Develop Communications Protocol/Contact List | 7 days | 3/3/2014 | 3/9/2014 |
| 47 | 1.1.6.2 | Provide TP & TM Memos to Staff | 7 days | 3/10/2014 | 3/16/2014 |
| 48 | 1.1.6.3 | Adhere to Protocol | 106 days | 3/17/2014 | 6/30/2014 |
| 49 | 1.1.6.4 | POD Meetings, Weekly TM Meetings | 120 days | 3/3/2014 | 6/30/2014 |
| 50 | 1.1.6.5 | Weekly Status Reports, Progress Reviews | 120 days | 3/3/2014 | 6/30/2014 |
| 51 | 1.1.6.6 | Mid-Course Review with NNSA | 0 days | 5/1/2014 | 5/1/2014 |
| 52 | 1.1.6.7 | Develop Code of Ethics and Conduct | 15 days | 3/18/2014 | 4/1/2014 |
| 53 | 1.1.6.7.d | Submit Code of Ethics and Conduct to CO | 0 days | 4/1/2014 | 4/1/2014 |
| 54 | 1.1.6.8 | Establish Ethics and Compliance Program | 60 days | 4/2/2014 | 5/31/2014 |
| 55 | 1.1.6.8.d | Submit Ethics and Compliance Program to CO | 0 days | 5/31/2014 | 5/31/2014 |
| 56 | **1.1.7** | **Transition Schedule** | **120 days** | **3/3/2014** | **6/30/2014** |
| 57 | 1.1.7.1 | Adjust Schedule | 21 days | 3/8/2014 | 3/28/2014 |
| 58 | 1.1.7.2 | Key Personnel Verbal Reports (POD) | 120 days | 3/3/2014 | 6/30/2014 |
| 59 | 1.1.7.3 | TM Weekly Written Status Roll-up by Personnel | 120 days | 3/3/2014 | 6/30/2014 |
| 60 | 1.1.7.4 | Perform Resource Loading | 12 days | 3/17/2014 | 3/28/2014 |
| 61 | 1.1.7.5 | Maintain Configuration Control | 94 days | 3/29/2014 | 6/30/2014 |
| 62 | **1.1.8** | **Readiness Notice** | **16 days** | **6/17/2014** | **7/2/2014** |
| 63 | 1.1.8.1 | CMC Readiness Review by Area | 14 days | 6/17/2014 | 6/30/2014 |



# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 64 | 1.1.8.2 | CMC Readiness Approval | 0 days | 6/30/2014 | 6/30/2014 |
| 65 | 1.1.8.3 | Complete Punch List and Approve | 14 days | 6/17/2014 | 6/30/2014 |
| 66 | 1.1.8.4 | Present Readiness to NNSA | 1 day | 7/1/2014 | 7/1/2014 |
| 67 | 1.1.8.5 | Notify NNSA of Readiness | 0 days | 7/1/2014 | 7/1/2014 |
| 68 | 1.1.8.6 | Receive CO Written Notification of Completion | 0 days | 7/2/2014 | 7/2/2014 |
| 69 | **1.1.9** | **Transition Demobilization** | **9 days** | **7/3/2014** | **7/11/2014** |
| 70 | 1.1.9.1 | Records Disposition | 9 days | 7/3/2014 | 7/11/2014 |
| 71 | 1.1.9.2 | Document Lessons Learned | 9 days | 7/3/2014 | 7/11/2014 |
| 72 | 1.1.9.3 | Furniture, Equipment, Office Closure | 9 days | 7/3/2014 | 7/11/2014 |
| 73 | **1.2** | **Transformation** | **118 days** | **3/3/2014** | **6/28/2014** |
| 74 | **1.2.1** | **Merger Transformation Plan (MTP) (Delv. #6)** | **106 days** | **3/3/2014** | **6/16/2014** |
| 75 | 1.2.1.1 | Develop Draft MTP | 46 days | 3/3/2014 | 4/17/2014 |
| 76 | 1.2.1.2 | Incorporate Proposal Mgmt Approach & Cost Savings | 28 days | 3/17/2014 | 4/13/2014 |
| 77 | 1.2.1.3 | Include Performance Fee Incentives | 28 days | 3/17/2014 | 4/13/2014 |
| 78 | 1.2.1.4 | Review MTP | 7 days | 4/18/2014 | 4/24/2014 |
| 79 | 1.2.1.5 | Finalize MTP | 6 days | 4/25/2014 | 4/30/2014 |
| 80 | 1.2.1.6 | CMC Approve MTP | 1 day | 4/30/2014 | 4/30/2014 |
| 81 | 1.2.1.7 | Submit MTP (Delv. #6 - Due 60d) | 0 days | 5/1/2014 | 5/1/2014 |
| 82 | 1.2.1.8 | Receive NNSA MTP Approval | 0 days | 6/16/2014 | 6/16/2014 |
| 83 | **1.2.2** | **Cost Reduction Proposal (CRP)** | **118 days** | **3/3/2014** | **6/28/2014** |
| 84 | 1.2.2.1 | Align with NNSA | 30 days | 3/3/2014 | 4/1/2014 |
| 85 | 1.2.2.2 | Develop Processes & Procedures with NNSA | 90 days | 3/18/2014 | 6/15/2014 |
| 86 | 1.2.2.3 | Validate Proposal Analyses and Assumptions | 28 days | 3/26/2014 | 4/22/2014 |
| 87 | 1.2.2.4 | Develop CRP | 111 days | 3/3/2014 | 6/21/2014 |
| 88 | 1.2.2.5 | CMC Approve CRP | 7 days | 6/22/2014 | 6/28/2014 |
| 89 | **1.2.3** | **Merger Schedule** | **49 days** | **5/2/2014** | **6/19/2014** |
| 90 | 1.2.3.1 | Key Personnel Input | 21 days | 5/2/2014 | 5/22/2014 |
| 91 | 1.2.3.2 | Develop Merger Schedule | 14 days | 5/23/2014 | 6/5/2014 |
| 92 | 1.2.3.3 | Review/Approve Merger Schedule | 14 days | 6/6/2014 | 6/19/2014 |
| 93 | **1.2.4** | **Transformation Schedule** | **28 days** | **5/23/2014** | **6/19/2014** |
| 94 | 1.2.4.1 | Key Personnel Input | 7 days | 5/23/2014 | 5/29/2014 |
| 95 | 1.2.4.2 | Develop Transformation Schedule | 7 days | 5/30/2014 | 6/5/2014 |
| 96 | 1.2.4.3 | Review/Approve Transformation Schedule | 14 days | 6/6/2014 | 6/19/2014 |
| 97 | **1.2.5** | **Continuous Improvement Plan** | **60 days** | **4/2/2014** | **5/31/2014** |
| 98 | 1.2.5.1 | Transition CI Resources/Approach for Transition | 30 days | 4/2/2014 | 5/1/2014 |
| 99 | 1.2.5.2 | CI Staffing and Approach | 30 days | 5/2/2014 | 5/31/2014 |
| 100 | **1.3** | **Program Integration (DSW/Campaigns/RTBF/Other)** | **120 days** | **3/3/2014** | **6/30/2014** |
| 101 | 1.3 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 5/3/2014 |
| 102 | 1.3 | Incumbent Briefing | 14 days | 3/10/2014 | 3/23/2014 |
| 103 | 1.3 | Provide Input to MTP | 14 days | 3/24/2014 | 4/6/2014 |
| 104 | 1.3 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 105 | **1.3.1** | **Budget and Funding Guidance** | **99 days** | **3/24/2014** | **6/30/2014** |
| 106 | 1.3.1.1 | Obtain/Disseminate Budget and Funding Guidance | 99 days | 3/24/2014 | 6/30/2014 |
| 107 | **1.3.2** | **Baseline Development** | **54 days** | **5/8/2014** | **6/30/2014** |
| 108 | 1.3.2.1 | Establish Baseline | 54 days | 5/8/2014 | 6/30/2014 |
| 109 | **1.3.3** | **Staffing** | **87 days** | **3/3/2014** | **5/28/2014** |
| 110 | 1.3.3.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 111 | 1.3.3.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 112 | 1.3.3.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 113 | 1.3.3.4 | Select candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 114 | 1.3.3.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 115 | **1.3.4** | **Integrate NNSA/CNS Program Mission** | **99 days** | **3/24/2014** | **6/30/2014** |
| 116 | 1.3.4.1 | Integrate NNSA & CNS Missions | 99 days | 3/24/2014 | 6/30/2014 |
| 117 | 1.3.4.2 | Integrate Y-12 & Pantex Missions | 99 days | 3/24/2014 | 6/30/2014 |
| 118 | **1.4** | **Mission Support** | **120 days** | **3/3/2014** | **6/30/2014** |
| 119 | 1.4 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 5/3/2014 |
| 120 | 1.4 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 121 | 1.4 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 122 | 1.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 123 | 1.4 | Approve Readiness Review | 14 days | 6/17/2014 | 6/30/2014 |
| 124 | **1.4.1** | **Chief Financial Officer** | **120 days** | **3/3/2014** | **6/30/2014** |
| 125 | 1.4.1.1 | Establish Banking | 14 days | 3/3/2014 | 3/16/2014 |
| 126 | 1.4.1.2 | Review Accounting System (Determine Pre-existing conditions) | 21 days | 3/3/2014 | 3/23/2014 |

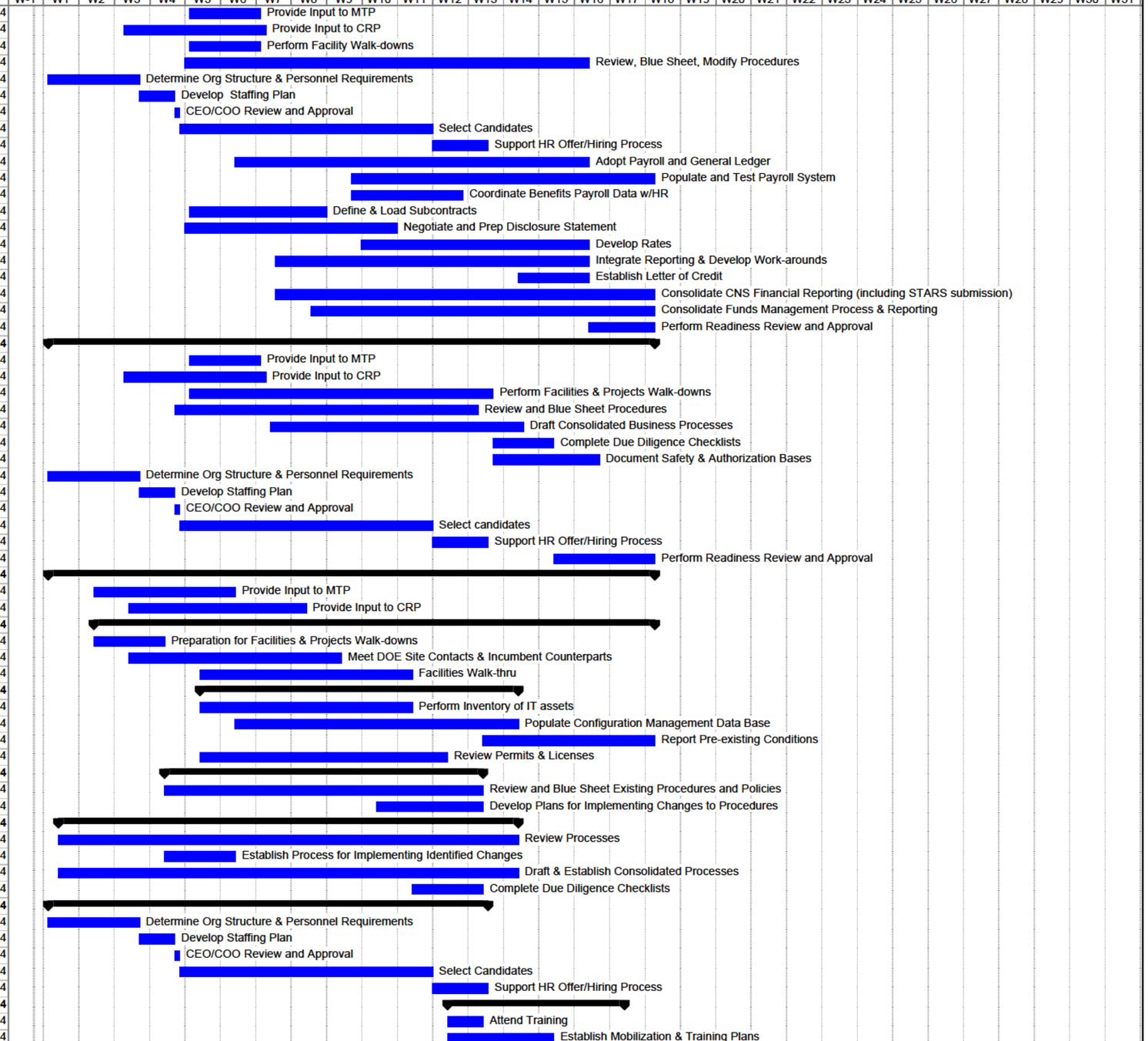


Control Schedule

# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

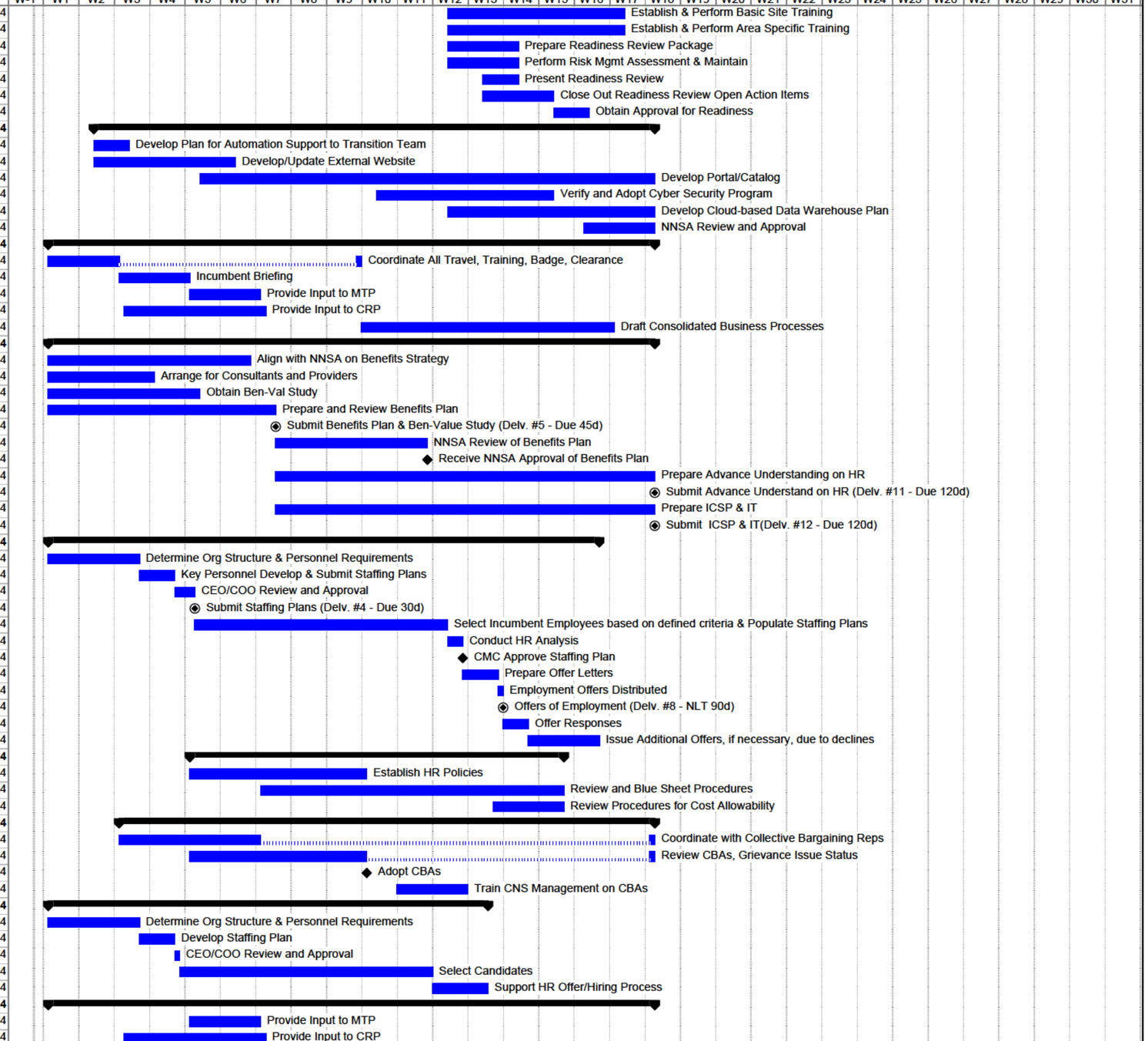
| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 127 | 1.4.1.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 128 | 1.4.1.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 129 | 1.4.1.5 | Perform Facility Walk-downs | 14 days | 3/31/2014 | 4/13/2014 |
| 130 | 1.4.1.6 | Review, Blue Sheet, Modify Procedures | 80 days | 3/30/2014 | 6/17/2014 |
| 131 | 1.4.1.8 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 132 | 1.4.1.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 133 | 1.4.1.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 134 | 1.4.1.11 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 135 | 1.4.1.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 136 | 1.4.1.13 | Adopt Payroll and General Ledger | 70 days | 4/9/2014 | 6/17/2014 |
| 137 | 1.4.1.14 | Populate and Test Payroll System | 60 days | 5/2/2014 | 6/30/2014 |
| 138 | 1.4.1.15 | Coordinate Benefits Payroll Data w/HR | 22 days | 5/2/2014 | 5/23/2014 |
| 139 | 1.4.1.16 | Define & Load Subcontracts | 27 days | 3/31/2014 | 4/26/2014 |
| 140 | 1.4.1.17 | Negotiate and Prep Disclosure Statement | 42 days | 3/30/2014 | 5/10/2014 |
| 141 | 1.4.1.18 | Develop Rates | 45 days | 5/4/2014 | 6/17/2014 |
| 142 | 1.4.1.19 | Integrate Reporting & Develop Work-arounds | 62 days | 4/17/2014 | 6/17/2014 |
| 143 | 1.4.1.20 | Establish Letter of Credit | 14 days | 6/4/2014 | 6/17/2014 |
| 144 | 1.4.1.21 | Consolidate CNS Financial Reporting (including STARS submission) | 75 days | 4/17/2014 | 6/30/2014 |
| 145 | 1.4.1.22 | Consolidate Funds Management Process & Reporting | 68 days | 4/24/2014 | 6/30/2014 |
| 146 | 1.4.1.23 | Perform Readiness Review and Approval | 13 days | 6/18/2014 | 6/30/2014 |
| 147 | **1.4.2** | **Project and Facility Management** | **120 days** | **3/3/2014** | **6/30/2014** |
| 148 | 1.4.2.1 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 149 | 1.4.2.2 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 150 | 1.4.2.3 | Perform Facilities & Projects Walk-downs | 60 days | 3/31/2014 | 5/29/2014 |
| 151 | 1.4.2.4 | Review and Blue Sheet Procedures | 60 days | 3/28/2014 | 5/26/2014 |
| 152 | 1.4.2.5 | Draft Consolidated Business Processes | 50 days | 4/16/2014 | 6/4/2014 |
| 153 | 1.4.2.6 | Complete Due Diligence Checklists | 12 days | 5/30/2014 | 6/10/2014 |
| 154 | 1.4.2.7 | Document Safety & Authorization Bases | 21 days | 5/30/2014 | 6/19/2014 |
| 155 | 1.4.2.8 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 156 | 1.4.2.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 157 | 1.4.2.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 158 | 1.4.2.11 | Select candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 159 | 1.4.2.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 160 | 1.4.2.13 | Perform Readiness Review and Approval | 20 days | 6/11/2014 | 6/30/2014 |
| 161 | **1.4.3** | **Chief Information Officer** | **120 days** | **3/3/2014** | **6/30/2014** |
| 162 | 1.4.3.1 | Provide Input to MTP | 28 days | 3/12/2014 | 4/8/2014 |
| 163 | 1.4.3.2 | Provide Input to CRP | 35 days | 3/19/2014 | 4/22/2014 |
| 164 | **1.4.3.3** | **Perform Facilities & Projects Walk-downs** | **111 days** | **3/12/2014** | **6/30/2014** |
| 165 | 1.4.3.3.1 | Preparation for Facilities & Projects Walk-downs | 14 days | 3/12/2014 | 3/25/2014 |
| 166 | 1.4.3.3.2 | Meet DOE Site Contacts & Incumbent Counterparts | 42 days | 3/19/2014 | 4/29/2014 |
| 167 | 1.4.3.3.3 | Facilities Walk-thru | 42 days | 4/2/2014 | 5/13/2014 |
| 168 | **1.4.3.3.4** | **Inventories** | **63 days** | **4/2/2014** | **6/3/2014** |
| 169 | 1.4.3.3.4.1 | Perform Inventory of IT assets | 42 days | 4/2/2014 | 5/13/2014 |
| 170 | 1.4.3.3.4.2 | Populate Configuration Management Data Base | 56 days | 4/9/2014 | 6/3/2014 |
| 171 | 1.4.3.3.5 | Report Pre-existing Conditions | 34 days | 5/28/2014 | 6/30/2014 |
| 172 | 1.4.3.3.6 | Review Permits & Licenses | 49 days | 4/2/2014 | 5/20/2014 |
| 173 | **1.4.3.4** | **Conduct operational assessment, including Review and Blue She** | **63 days** | **3/26/2014** | **5/27/2014** |
| 174 | 1.4.3.4.1 | Review and Blue Sheet Existing Procedures and Policies | 63 days | 3/26/2014 | 5/27/2014 |
| 175 | 1.4.3.4.2 | Develop Plans for Implementing Changes to Procedures | 21 days | 5/7/2014 | 5/27/2014 |
| 176 | **1.4.3.5** | **Draft Consolidated Business Processes** | **91 days** | **3/5/2014** | **6/3/2014** |
| 177 | 1.4.3.5.1 | Review Processes | 91 days | 3/5/2014 | 6/3/2014 |
| 178 | 1.4.3.5.2 | Establish Process for Implementing Identified Changes | 14 days | 3/26/2014 | 4/8/2014 |
| 179 | 1.4.3.5.3 | Draft & Establish Consolidated Processes | 91 days | 3/5/2014 | 6/3/2014 |
| 180 | 1.4.3.6 | Complete Due Diligence Checklists | 14 days | 5/14/2014 | 5/27/2014 |
| 181 | **1.4.3.7** | **Staffing Actions** | **87 days** | **3/3/2014** | **5/28/2014** |
| 182 | 1.4.3.7.1 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 183 | 1.4.3.7.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 184 | 1.4.3.7.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 185 | 1.4.3.7.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 186 | 1.4.3.7.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 187 | **1.4.3.8** | **Perform Readiness Review and Approval** | **35 days** | **5/21/2014** | **6/24/2014** |
| 188 | 1.4.3.8.1 | Attend Training | 7 days | 5/21/2014 | 5/27/2014 |
| 189 | 1.4.3.8.2 | Establish Mobilization & Training Plans | 21 days | 5/21/2014 | 6/10/2014 |



# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

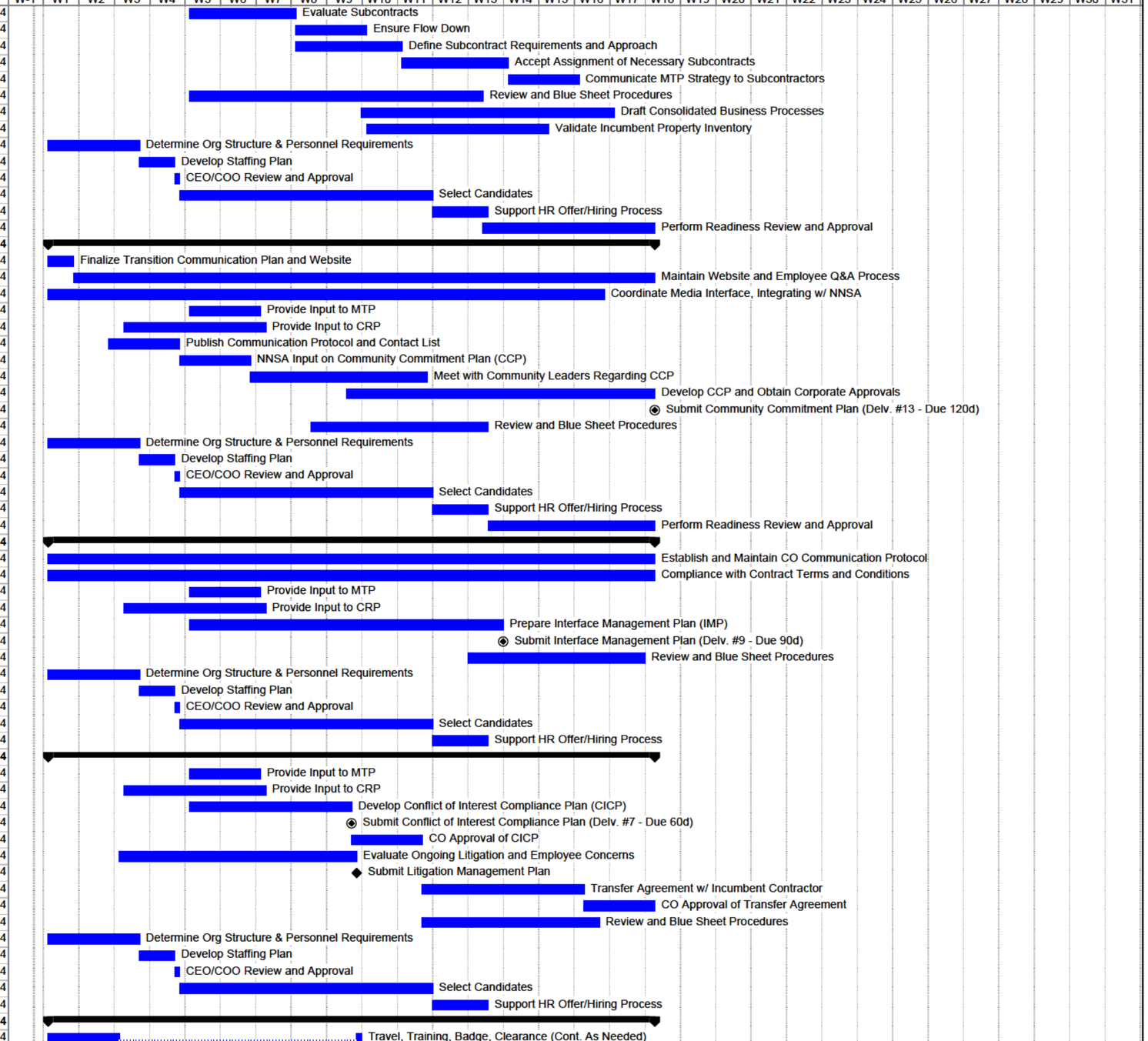
| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 190 | 1.4.3.8.3 | Establish & Perform Basic Site Training | 35 days | 5/21/2014 | 6/24/2014 |
| 191 | 1.4.3.8.4 | Establish & Perform Area Specific Training | 35 days | 5/21/2014 | 6/24/2014 |
| 192 | 1.4.3.8.5 | Prepare Readiness Review Package | 14 days | 5/21/2014 | 6/3/2014 |
| 193 | 1.4.3.8.6 | Perform Risk Mgmt Assessment & Maintain | 14 days | 5/21/2014 | 6/3/2014 |
| 194 | 1.4.3.8.7 | Present Readiness Review | 7 days | 5/28/2014 | 6/3/2014 |
| 195 | 1.4.3.8.8 | Close Out Readiness Review Open Action Items | 14 days | 5/28/2014 | 6/10/2014 |
| 196 | 1.4.3.8.9 | Obtain Approval for Readiness | 7 days | 6/11/2014 | 6/17/2014 |
| 197 | **1.4.3.9** | **Develop and Submit Automation Plan** | **111 days** | **3/12/2014** | **6/30/2014** |
| 198 | 1.4.3.9.1 | Develop Plan for Automation Support to Transition Team | 7 days | 3/12/2014 | 3/18/2014 |
| 199 | 1.4.3.9.2 | Develop/Update External Website | 28 days | 3/12/2014 | 4/8/2014 |
| 200 | 1.4.3.9.3 | Develop Portal/Catalog | 90 days | 4/2/2014 | 6/30/2014 |
| 201 | 1.4.3.10 | Verify and Adopt Cyber Security Program | 35 days | 5/7/2014 | 6/10/2014 |
| 202 | 1.4.3.11 | Develop Cloud-based Data Warehouse Plan | 41 days | 5/21/2014 | 6/30/2014 |
| 203 | 1.4.3.12 | NNSA Review and Approval | 14 days | 6/17/2014 | 6/30/2014 |
| 204 | **1.4.4** | **Human Resources** | **120 days** | **3/3/2014** | **6/30/2014** |
| 205 | 1.4.4 | Coordinate All Travel, Training, Badge, Clearance | 15 days | 3/3/2014 | 5/3/2014 |
| 206 | 1.4.4 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 207 | 1.4.4 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 208 | 1.4.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 209 | 1.4.4 | Draft Consolidated Business Processes | 50 days | 5/4/2014 | 6/22/2014 |
| 210 | **1.4.4.1** | **Pay and Benefits** | **120 days** | **3/3/2014** | **6/30/2014** |
| 211 | 1.4.4.1.1 | Align with NNSA on Benefits Strategy | 40 days | 3/3/2014 | 4/11/2014 |
| 212 | 1.4.4.1.2 | Arrange for Consultants and Providers | 21 days | 3/3/2014 | 3/23/2014 |
| 213 | 1.4.4.1.3 | Obtain Ben-Val Study | 30 days | 3/3/2014 | 4/1/2014 |
| 214 | 1.4.4.1.4 | Prepare and Review Benefits Plan | 45 days | 3/3/2014 | 4/16/2014 |
| 215 | 1.4.4.1.5 | Submit Benefits Plan & Ben-Value Study (Delv. #5 - Due 45d) | 0 days | 4/16/2014 | 4/16/2014 |
| 216 | 1.4.4.1.6 | NNSA Review of Benefits Plan | 30 days | 4/17/2014 | 5/16/2014 |
| 217 | 1.4.4.1.7 | Receive NNSA Approval of Benefits Plan | 0 days | 5/16/2014 | 5/16/2014 |
| 218 | 1.4.4.1.8 | Prepare Advance Understanding on HR | 75 days | 4/17/2014 | 6/30/2014 |
| 219 | 1.4.4.1.9 | Submit Advance Understand on HR (Delv. #11 - Due 120d) | 0 days | 6/30/2014 | 6/30/2014 |
| 220 | 1.4.4.1.10 | Prepare ICSP & IT | 75 days | 4/17/2014 | 6/30/2014 |
| 221 | 1.4.4.1.11 | Submit ICSP & IT(Delv. #12 - Due 120d) | 0 days | 6/30/2014 | 6/30/2014 |
| 222 | **1.4.4.2** | **CNS Staffing Plan and Hiring Activities** | **109 days** | **3/3/2014** | **6/19/2014** |
| 223 | 1.4.4.2.1 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 224 | 1.4.4.2.2 | Key Personnel Develop & Submit Staffing Plans | 7 days | 3/21/2014 | 3/27/2014 |
| 225 | 1.4.4.2.3 | CEO/COO Review and Approval | 4 days | 3/28/2014 | 3/31/2014 |
| 226 | 1.4.4.2.4 | Submit Staffing Plans (Delv. #4 - Due 30d) | 0 days | 3/31/2014 | 3/31/2014 |
| 227 | 1.4.4.2.5 | Select Incumbent Employees based on defined criteria & Populate | 50 days | 4/1/2014 | 5/20/2014 |
| 228 | 1.4.4.2.6 | Conduct HR Analysis | 3 days | 5/21/2014 | 5/23/2014 |
| 229 | 1.4.4.2.7 | CMC Approve Staffing Plan | 0 days | 5/23/2014 | 5/23/2014 |
| 230 | 1.4.4.2.8 | Prepare Offer Letters | 7 days | 5/24/2014 | 5/30/2014 |
| 231 | 1.4.4.2.9 | Employment Offers Distributed | 1 day | 5/31/2014 | 5/31/2014 |
| 232 | 1.4.4.2.10 | Offers of Employment (Delv. #8 - NLT 90d) | 0 days | 5/31/2014 | 5/31/2014 |
| 233 | 1.4.4.2.11 | Offer Responses | 5 days | 6/1/2014 | 6/5/2014 |
| 234 | 1.4.4.2.12 | Issue Additional Offers, if necessary, due to declines | 14 days | 6/6/2014 | 6/19/2014 |
| 235 | **1.4.4.3** | **Policies and Procedures** | **74 days** | **3/31/2014** | **6/12/2014** |
| 236 | 1.4.4.3.1 | Establish HR Policies | 35 days | 3/31/2014 | 5/4/2014 |
| 237 | 1.4.4.3.2 | Review and Blue Sheet Procedures | 60 days | 4/14/2014 | 6/12/2014 |
| 238 | 1.4.4.3.3 | Review Procedures for Cost Allowability | 14 days | 5/30/2014 | 6/12/2014 |
| 239 | **1.4.4.4** | **Labor Relations** | **106 days** | **3/17/2014** | **6/30/2014** |
| 240 | 1.4.4.4.1 | Coordinate with Collective Bargaining Reps | 29 days | 3/17/2014 | 6/30/2014 |
| 241 | 1.4.4.4.2 | Review CBAs, Grievance Issue Status | 36 days | 3/31/2014 | 6/30/2014 |
| 242 | 1.4.4.4.3 | Adopt CBAs | 0 days | 5/4/2014 | 5/4/2014 |
| 243 | 1.4.4.4.4 | Train CNS Management on CBAs | 14 days | 5/11/2014 | 5/24/2014 |
| 244 | **1.4.4.5** | **Human Resources Staffing** | **87 days** | **3/3/2014** | **5/28/2014** |
| 245 | 1.4.4.5.1 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 246 | 1.4.4.5.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 247 | 1.4.4.5.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 248 | 1.4.4.5.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 249 | 1.4.4.5.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 250 | **1.4.5** | **Procurement** | **120 days** | **3/3/2014** | **6/30/2014** |
| 251 | 1.4.5.1 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 252 | 1.4.5.2 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |



# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 253 | 1.4.5.3 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 254 | 1.4.5.4 | Ensure Flow Down | 14 days | 4/21/2014 | 5/4/2014 |
| 255 | 1.4.5.5 | Define Subcontract Requirements and Approach | 21 days | 4/21/2014 | 5/11/2014 |
| 256 | 1.4.5.6 | Accept Assignment of Necessary Subcontracts | 21 days | 5/12/2014 | 6/1/2014 |
| 257 | 1.4.5.7 | Communicate MTP Strategy to Subcontractors | 14 days | 6/2/2014 | 6/15/2014 |
| 258 | 1.4.5.8 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 259 | 1.4.5.9 | Draft Consolidated Business Processes | 50 days | 5/4/2014 | 6/22/2014 |
| 260 | 1.4.5.10 | Validate Incumbent Property Inventory | 36 days | 5/5/2014 | 6/9/2014 |
| 261 | 1.4.5.11 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 262 | 1.4.5.12 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 263 | 1.4.5.13 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 264 | 1.4.5.14 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 265 | 1.4.5.15 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 266 | 1.4.5.16 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 267 | **1.4.6** | **Communications** | **120 days** | **3/3/2014** | **6/30/2014** |
| 268 | 1.4.6.1 | Finalize Transition Communication Plan and Website | 5 days | 3/3/2014 | 3/7/2014 |
| 269 | 1.4.6.2 | Maintain Website and Employee Q&A Process | 115 days | 3/8/2014 | 6/30/2014 |
| 270 | 1.4.6.3 | Coordinate Media Interface, Integrating w/ NNSA | 110 days | 3/3/2014 | 6/20/2014 |
| 271 | 1.4.6.4 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 272 | 1.4.6.5 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 273 | 1.4.6.6 | Publish Communication Protocol and Contact List | 14 days | 3/15/2014 | 3/28/2014 |
| 274 | 1.4.6.7 | NNSA Input on Community Commitment Plan (CCP) | 14 days | 3/29/2014 | 4/11/2014 |
| 275 | 1.4.6.8 | Meet with Community Leaders Regarding CCP | 35 days | 4/12/2014 | 5/16/2014 |
| 276 | 1.4.6.9 | Develop CCP and Obtain Corporate Approvals | 61 days | 5/1/2014 | 6/30/2014 |
| 277 | 1.4.6.10 | Submit Community Commitment Plan (Delv. #13 - Due 120d) | 0 days | 6/30/2014 | 6/30/2014 |
| 278 | 1.4.6.11 | Review and Blue Sheet Procedures | 35 days | 4/24/2014 | 5/28/2014 |
| 279 | 1.4.6.12 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 280 | 1.4.6.13 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 281 | 1.4.6.14 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 282 | 1.4.6.15 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 283 | 1.4.6.16 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 284 | 1.4.6.17 | Perform Readiness Review and Approval | 33 days | 5/29/2014 | 6/30/2014 |
| 285 | **1.4.7** | **Prime Contracts** | **120 days** | **3/3/2014** | **6/30/2014** |
| 286 | 1.4.7.1 | Establish and Maintain CO Communication Protocol | 120 days | 3/3/2014 | 6/30/2014 |
| 287 | 1.4.7.2 | Compliance with Contract Terms and Conditions | 120 days | 3/3/2014 | 6/30/2014 |
| 288 | 1.4.7.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 289 | 1.4.7.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 290 | 1.4.7.5 | Prepare Interface Management Plan (IMP) | 62 days | 3/31/2014 | 5/31/2014 |
| 291 | 1.4.7.6 | Submit Interface Management Plan (Delv. #9 - Due 90d) | 0 days | 5/31/2014 | 5/31/2014 |
| 292 | 1.4.7.7 | Review and Blue Sheet Procedures | 35 days | 5/25/2014 | 6/28/2014 |
| 293 | 1.4.7.8 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 294 | 1.4.7.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 295 | 1.4.7.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 296 | 1.4.7.11 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 297 | 1.4.7.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 298 | **1.4.8** | **Legal** | **120 days** | **3/3/2014** | **6/30/2014** |
| 299 | 1.4.8.1 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 300 | 1.4.8.2 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 301 | 1.4.8.3 | Develop Conflict of Interest Compliance Plan (CICP) | 32 days | 3/31/2014 | 5/1/2014 |
| 302 | 1.4.8.4 | Submit Conflict of Interest Compliance Plan (Delv. #7 - Due 60d) | 0 days | 5/1/2014 | 5/1/2014 |
| 303 | 1.4.8.5 | CO Approval of CICP | 14 days | 5/2/2014 | 5/15/2014 |
| 304 | 1.4.8.6 | Evaluate Ongoing Litigation and Employee Concerns | 47 days | 3/17/2014 | 5/2/2014 |
| 305 | 1.4.8.7 | Submit Litigation Management Plan | 0 days | 5/2/2014 | 5/2/2014 |
| 306 | 1.4.8.8 | Transfer Agreement w/ Incumbent Contractor | 32 days | 5/16/2014 | 6/16/2014 |
| 307 | 1.4.8.9 | CO Approval of Transfer Agreement | 14 days | 6/17/2014 | 6/30/2014 |
| 308 | 1.4.8.10 | Review and Blue Sheet Procedures | 35 days | 5/16/2014 | 6/19/2014 |
| 309 | 1.4.8.11 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 310 | 1.4.8.12 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 311 | 1.4.8.13 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 312 | 1.4.8.14 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 313 | 1.4.8.15 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 314 | **1.5** | **Mission Engineering** | **120 days** | **3/3/2014** | **6/30/2014** |
| 315 | 1.5 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 5/3/2014 |

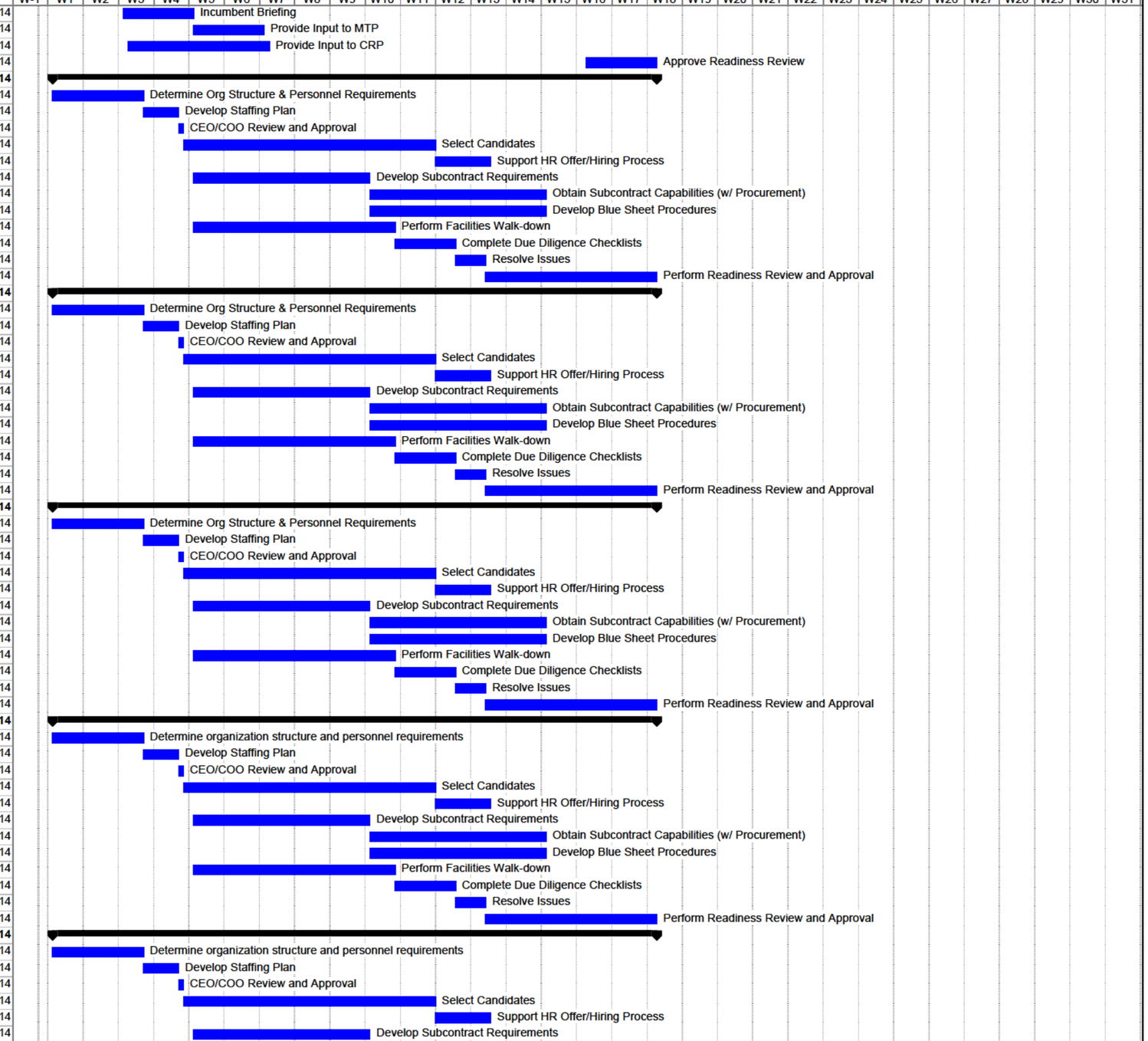


Control Schedule

# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

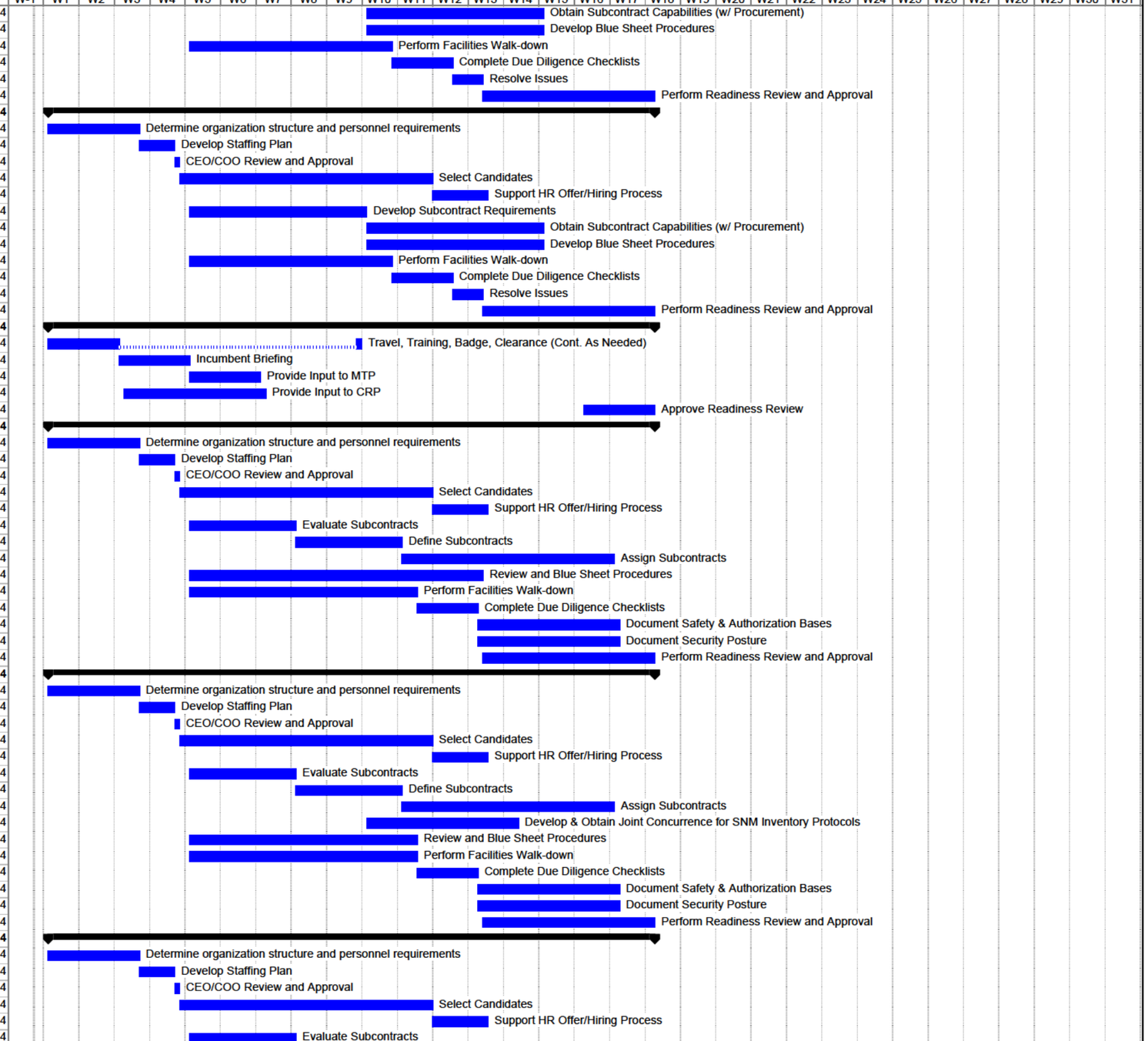
| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 316 | 1.5 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 317 | 1.5 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 318 | 1.5 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 319 | 1.5 | Approve Readiness Review | 14 days | 6/17/2014 | 6/30/2014 |
| 320 | **1.5.1** | **Design Authority** | **120 days** | **3/3/2014** | **6/30/2014** |
| 321 | 1.5.1.1 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 322 | 1.5.1.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 323 | 1.5.1.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 324 | 1.5.1.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 325 | 1.5.1.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 326 | 1.5.1.6 | Develop Subcontract Requirements | 35 days | 3/31/2014 | 5/4/2014 |
| 327 | 1.5.1.7 | Obtain Subcontract Capabilities (w/ Procurement) | 35 days | 5/5/2014 | 6/8/2014 |
| 328 | 1.5.1.8 | Develop Blue Sheet Procedures | 35 days | 5/5/2014 | 6/8/2014 |
| 329 | 1.5.1.9 | Perform Facilities Walk-down | 40 days | 3/31/2014 | 5/9/2014 |
| 330 | 1.5.1.10 | Complete Due Diligence Checklists | 12 days | 5/10/2014 | 5/21/2014 |
| 331 | 1.5.1.11 | Resolve Issues | 6 days | 5/22/2014 | 5/27/2014 |
| 332 | 1.5.1.12 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 333 | **1.5.2** | **Safety Basis** | **120 days** | **3/3/2014** | **6/30/2014** |
| 334 | 1.5.2.1 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 335 | 1.5.2.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 336 | 1.5.2.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 337 | 1.5.2.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 338 | 1.5.2.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 339 | 1.5.2.6 | Develop Subcontract Requirements | 35 days | 3/31/2014 | 5/4/2014 |
| 340 | 1.5.2.7 | Obtain Subcontract Capabilities (w/ Procurement) | 35 days | 5/5/2014 | 6/8/2014 |
| 341 | 1.5.2.8 | Develop Blue Sheet Procedures | 35 days | 5/5/2014 | 6/8/2014 |
| 342 | 1.5.2.9 | Perform Facilities Walk-down | 40 days | 3/31/2014 | 5/9/2014 |
| 343 | 1.5.2.10 | Complete Due Diligence Checklists | 12 days | 5/10/2014 | 5/21/2014 |
| 344 | 1.5.2.11 | Resolve Issues | 6 days | 5/22/2014 | 5/27/2014 |
| 345 | 1.5.2.12 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 346 | **1.5.3** | **Systems Engineering** | **120 days** | **3/3/2014** | **6/30/2014** |
| 347 | 1.5.3.1 | Determine Org Structure & Personnel Requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 348 | 1.5.3.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 349 | 1.5.3.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 350 | 1.5.3.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 351 | 1.5.3.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 352 | 1.5.3.6 | Develop Subcontract Requirements | 35 days | 3/31/2014 | 5/4/2014 |
| 353 | 1.5.3.7 | Obtain Subcontract Capabilities (w/ Procurement) | 35 days | 5/5/2014 | 6/8/2014 |
| 354 | 1.5.3.8 | Develop Blue Sheet Procedures | 35 days | 5/5/2014 | 6/8/2014 |
| 355 | 1.5.3.9 | Perform Facilities Walk-down | 40 days | 3/31/2014 | 5/9/2014 |
| 356 | 1.5.3.10 | Complete Due Diligence Checklists | 12 days | 5/10/2014 | 5/21/2014 |
| 357 | 1.5.3.11 | Resolve Issues | 6 days | 5/22/2014 | 5/27/2014 |
| 358 | 1.5.3.12 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 359 | **1.5.4** | **Criticality Safety** | **120 days** | **3/3/2014** | **6/30/2014** |
| 360 | 1.5.4.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 361 | 1.5.4.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 362 | 1.5.4.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 363 | 1.5.4.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 364 | 1.5.4.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 365 | 1.5.4.6 | Develop Subcontract Requirements | 35 days | 3/31/2014 | 5/4/2014 |
| 366 | 1.5.4.7 | Obtain Subcontract Capabilities (w/ Procurement) | 35 days | 5/5/2014 | 6/8/2014 |
| 367 | 1.5.4.8 | Develop Blue Sheet Procedures | 35 days | 5/5/2014 | 6/8/2014 |
| 368 | 1.5.4.9 | Perform Facilities Walk-down | 40 days | 3/31/2014 | 5/9/2014 |
| 369 | 1.5.4.10 | Complete Due Diligence Checklists | 12 days | 5/10/2014 | 5/21/2014 |
| 370 | 1.5.4.11 | Resolve Issues | 6 days | 5/22/2014 | 5/27/2014 |
| 371 | 1.5.4.12 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 372 | **1.5.5** | **Manufacturing Engineering** | **120 days** | **3/3/2014** | **6/30/2014** |
| 373 | 1.5.5.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 374 | 1.5.5.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 375 | 1.5.5.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 376 | 1.5.5.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 377 | 1.5.5.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 378 | 1.5.5.6 | Develop Subcontract Requirements | 35 days | 3/31/2014 | 5/4/2014 |



# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

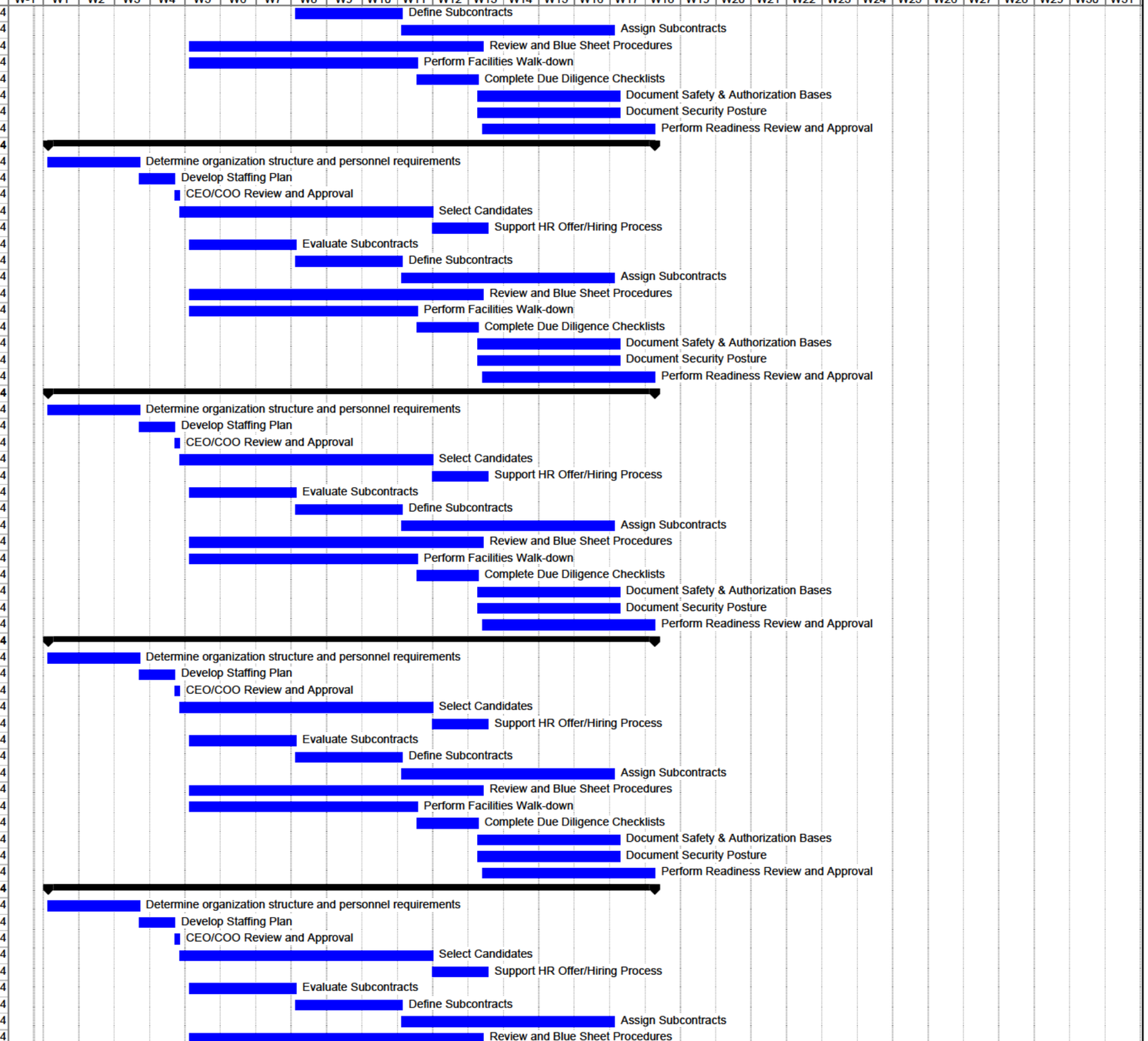
| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 379 | 1.5.5.7 | Obtain Subcontract Capabilities (w/ Procurement) | 35 days | 5/5/2014 | 6/8/2014 |
| 380 | 1.5.5.8 | Develop Blue Sheet Procedures | 35 days | 5/5/2014 | 6/8/2014 |
| 381 | 1.5.5.9 | Perform Facilities Walk-down | 40 days | 3/31/2014 | 5/9/2014 |
| 382 | 1.5.5.10 | Complete Due Diligence Checklists | 12 days | 5/10/2014 | 5/21/2014 |
| 383 | 1.5.5.11 | Resolve Issues | 6 days | 5/22/2014 | 5/27/2014 |
| 384 | 1.5.5.12 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 385 | **1.5.6** | **Research and Development** | **120 days** | **3/3/2014** | **6/30/2014** |
| 386 | 1.5.6.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 387 | 1.5.6.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 388 | 1.5.6.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 389 | 1.5.6.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 390 | 1.5.6.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 391 | 1.5.6.6 | Develop Subcontract Requirements | 35 days | 3/31/2014 | 5/4/2014 |
| 392 | 1.5.6.7 | Obtain Subcontract Capabilities (w/ Procurement) | 35 days | 5/5/2014 | 6/8/2014 |
| 393 | 1.5.6.8 | Develop Blue Sheet Procedures | 35 days | 5/5/2014 | 6/8/2014 |
| 394 | 1.5.6.9 | Perform Facilities Walk-down | 40 days | 3/31/2014 | 5/9/2014 |
| 395 | 1.5.6.10 | Complete Due Diligence Checklists | 12 days | 5/10/2014 | 5/21/2014 |
| 396 | 1.5.6.11 | Resolve Issues | 6 days | 5/22/2014 | 5/27/2014 |
| 397 | 1.5.6.12 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 398 | **1.6** | **Uranium Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 399 | 1.6 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 5/3/2014 |
| 400 | 1.6 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 401 | 1.6 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 402 | 1.6 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 403 | 1.6 | Approve Readiness Review | 14 days | 6/17/2014 | 6/30/2014 |
| 404 | **1.6.1** | **Enriched Uranium Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 405 | 1.6.1.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 406 | 1.6.1.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 407 | 1.6.1.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 408 | 1.6.1.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 409 | 1.6.1.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 410 | 1.6.1.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 411 | 1.6.1.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 412 | 1.6.1.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 413 | 1.6.1.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 414 | 1.6.1.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 415 | 1.6.1.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 416 | 1.6.1.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 417 | 1.6.1.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 418 | 1.6.1.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 419 | **1.6.2** | **Special Nuclear Materials Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 420 | 1.6.2.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 421 | 1.6.2.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 422 | 1.6.2.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 423 | 1.6.2.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 424 | 1.6.2.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 425 | 1.6.2.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 426 | 1.6.2.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 427 | 1.6.2.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 428 | 1.6.2.9 | Develop & Obtain Joint Concurrence for SNM Inventory Protocols | 30 days | 5/5/2014 | 6/3/2014 |
| 429 | 1.6.2.10 | Review and Blue Sheet Procedures | 45 days | 3/31/2014 | 5/14/2014 |
| 430 | 1.6.2.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 431 | 1.6.2.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 432 | 1.6.2.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 433 | 1.6.2.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 434 | 1.6.2.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 435 | **1.6.3** | **UPF Operator's Representative** | **120 days** | **3/3/2014** | **6/30/2014** |
| 436 | 1.6.3.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 437 | 1.6.3.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 438 | 1.6.3.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 439 | 1.6.3.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 440 | 1.6.3.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 441 | 1.6.3.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |



# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 442 | 1.6.3.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 443 | 1.6.3.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 444 | 1.6.3.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 445 | 1.6.3.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 446 | 1.6.3.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 447 | 1.6.3.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 448 | 1.6.3.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 449 | 1.6.3.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 450 | **1.6.4** | **General Manufacturing and Tooling** | **120 days** | **3/3/2014** | **6/30/2014** |
| 451 | 1.6.4.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 452 | 1.6.4.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 453 | 1.6.4.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 454 | 1.6.4.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 455 | 1.6.4.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 456 | 1.6.4.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 457 | 1.6.4.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 458 | 1.6.4.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 459 | 1.6.4.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 460 | 1.6.4.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 461 | 1.6.4.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 462 | 1.6.4.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 463 | 1.6.4.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 464 | 1.6.4.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 465 | **1.6.5** | **Production and Planning Control** | **120 days** | **3/3/2014** | **6/30/2014** |
| 466 | 1.6.5.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 467 | 1.6.5.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 468 | 1.6.5.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 469 | 1.6.5.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 470 | 1.6.5.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 471 | 1.6.5.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 472 | 1.6.5.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 473 | 1.6.5.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 474 | 1.6.5.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 475 | 1.6.5.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 476 | 1.6.5.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 477 | 1.6.5.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 478 | 1.6.5.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 479 | 1.6.5.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 480 | **1.6.6** | **Assembly/Disassembly Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 481 | 1.6.6.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 482 | 1.6.6.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 483 | 1.6.6.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 484 | 1.6.6.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 485 | 1.6.6.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 486 | 1.6.6.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 487 | 1.6.6.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 488 | 1.6.6.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 489 | 1.6.6.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 490 | 1.6.6.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 491 | 1.6.6.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 492 | 1.6.6.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 493 | 1.6.6.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 494 | 1.6.6.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 495 | **1.6.7** | **Special Materials Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 496 | 1.6.7.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 497 | 1.6.7.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 498 | 1.6.7.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 499 | 1.6.7.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 500 | 1.6.7.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 501 | 1.6.7.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 502 | 1.6.7.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 503 | 1.6.7.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 504 | 1.6.7.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |

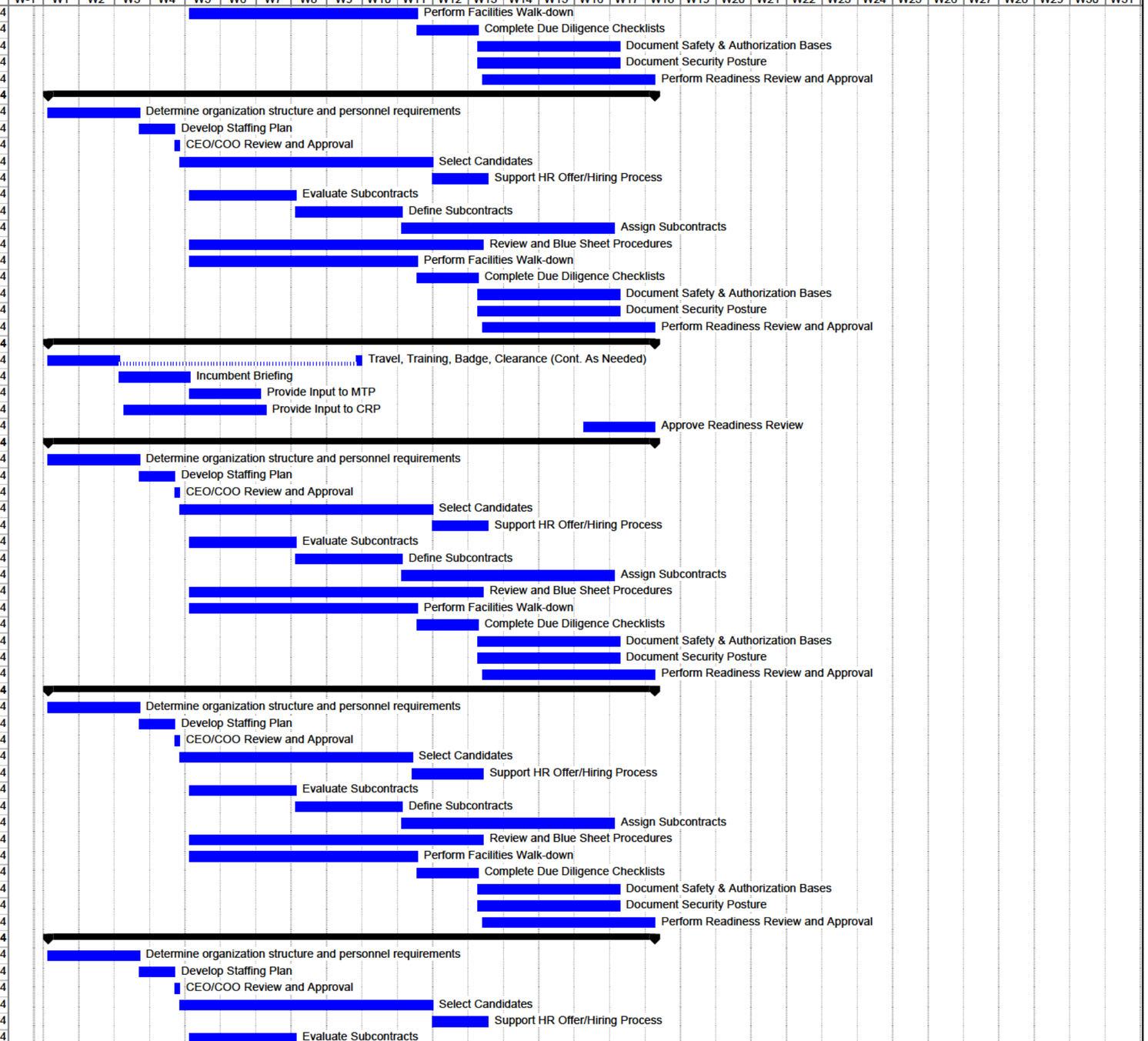


Control Schedule

# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

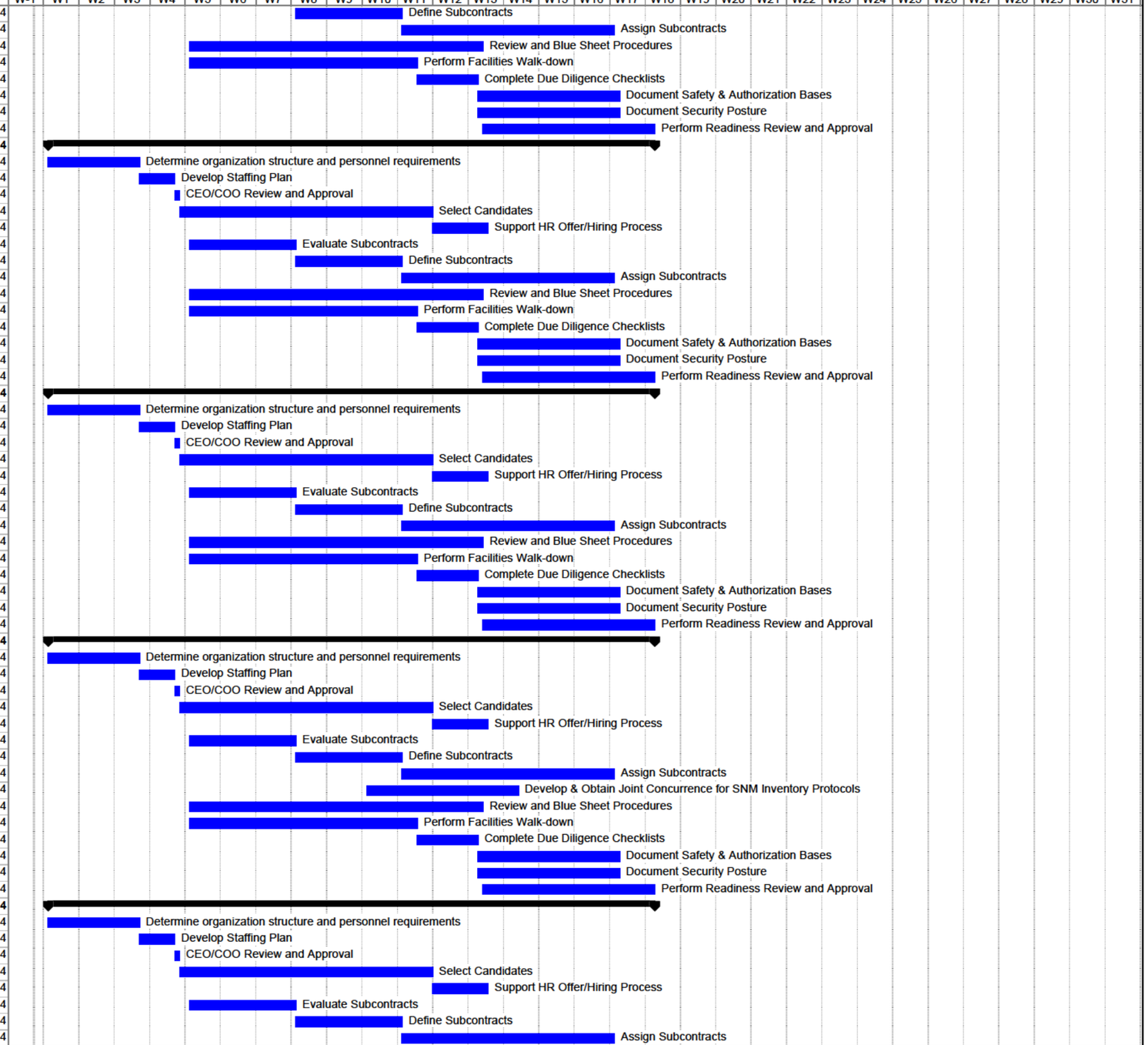
| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 505 | 1.6.7.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 506 | 1.6.7.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 507 | 1.6.7.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 508 | 1.6.7.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 509 | 1.6.7.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 510 | **1.6.8** | **Process Engineering** | **120 days** | **3/3/2014** | **6/30/2014** |
| 511 | 1.6.8.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 512 | 1.6.8.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 513 | 1.6.8.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 514 | 1.6.8.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 515 | 1.6.8.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 516 | 1.6.8.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 517 | 1.6.8.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 518 | 1.6.8.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 519 | 1.6.8.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 520 | 1.6.8.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 521 | 1.6.8.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 522 | 1.6.8.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 523 | 1.6.8.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 524 | 1.6.8.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 525 | **1.7** | **Weapons Assembly/Disassembly** | **120 days** | **3/3/2014** | **6/30/2014** |
| 526 | 1.7 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 5/3/2014 |
| 527 | 1.7 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 528 | 1.7 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 529 | 1.7 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 530 | 1.7 | Approve Readiness Review | 14 days | 6/17/2014 | 6/30/2014 |
| 531 | **1.7.1** | **Assembly/Disassembly Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 532 | 1.7.1.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 533 | 1.7.1.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 534 | 1.7.1.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 535 | 1.7.1.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 536 | 1.7.1.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 537 | 1.7.1.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 538 | 1.7.1.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 539 | 1.7.1.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 540 | 1.7.1.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 541 | 1.7.1.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 542 | 1.7.1.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 543 | 1.7.1.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 544 | 1.7.1.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 545 | 1.7.1.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 546 | **1.7.2** | **Explosives Operations and Technology** | **120 days** | **3/3/2014** | **6/30/2014** |
| 547 | 1.7.2.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 548 | 1.7.2.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 549 | 1.7.2.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 550 | 1.7.2.4 | Select Candidates | 46 days | 3/29/2014 | 5/13/2014 |
| 551 | 1.7.2.5 | Support HR Offer/Hiring Process | 14 days | 5/14/2014 | 5/27/2014 |
| 552 | 1.7.2.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 553 | 1.7.2.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 554 | 1.7.2.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 555 | 1.7.2.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 556 | 1.7.2.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 557 | 1.7.2.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 558 | 1.7.2.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 559 | 1.7.2.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 560 | 1.7.2.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 561 | **1.7.3** | **Production and Planning Control** | **120 days** | **3/3/2014** | **6/30/2014** |
| 562 | 1.7.3.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 563 | 1.7.3.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 564 | 1.7.3.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 565 | 1.7.3.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 566 | 1.7.3.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 567 | 1.7.3.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |



# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 568 | 1.7.3.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 569 | 1.7.3.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 570 | 1.7.3.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 571 | 1.7.3.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 572 | 1.7.3.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 573 | 1.7.3.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 574 | 1.7.3.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 575 | 1.7.3.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 576 | **1.7.4** | **General Manufacturing and Tooling** | **120 days** | **3/3/2014** | **6/30/2014** |
| 577 | 1.7.4.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 578 | 1.7.4.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 579 | 1.7.4.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 580 | 1.7.4.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 581 | 1.7.4.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 582 | 1.7.4.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 583 | 1.7.4.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 584 | 1.7.4.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 585 | 1.7.4.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 586 | 1.7.4.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 587 | 1.7.4.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 588 | 1.7.4.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 589 | 1.7.4.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 590 | 1.7.4.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 591 | **1.7.5** | **Nondestructive Evaluation** | **120 days** | **3/3/2014** | **6/30/2014** |
| 592 | 1.7.5.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 593 | 1.7.5.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 594 | 1.7.5.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 595 | 1.7.5.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 596 | 1.7.5.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 597 | 1.7.5.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 598 | 1.7.5.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 599 | 1.7.5.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 600 | 1.7.5.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 601 | 1.7.5.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 602 | 1.7.5.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 603 | 1.7.5.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 604 | 1.7.5.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 605 | 1.7.5.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 606 | **1.7.6** | **Special Nuclear Material Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 607 | 1.7.6.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 608 | 1.7.6.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 609 | 1.7.6.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 610 | 1.7.6.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 611 | 1.7.6.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 612 | 1.7.6.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 613 | 1.7.6.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 614 | 1.7.6.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |
| 615 | 1.7.6.9 | Develop & Obtain Joint Concurrence for SNM Inventory Protocols | 30 days | 5/5/2014 | 6/3/2014 |
| 616 | 1.7.6.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 617 | 1.7.6.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 618 | 1.7.6.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 619 | 1.7.6.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 620 | 1.7.6.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 621 | 1.7.6.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 622 | **1.7.7** | **Process Engineering** | **120 days** | **3/3/2014** | **6/30/2014** |
| 623 | 1.7.7.1 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 624 | 1.7.7.2 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 625 | 1.7.7.3 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 626 | 1.7.7.4 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 627 | 1.7.7.5 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 628 | 1.7.7.6 | Evaluate Subcontracts | 21 days | 3/31/2014 | 4/20/2014 |
| 629 | 1.7.7.7 | Define Subcontracts | 21 days | 4/21/2014 | 5/11/2014 |
| 630 | 1.7.7.8 | Assign Subcontracts | 42 days | 5/12/2014 | 6/22/2014 |



# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

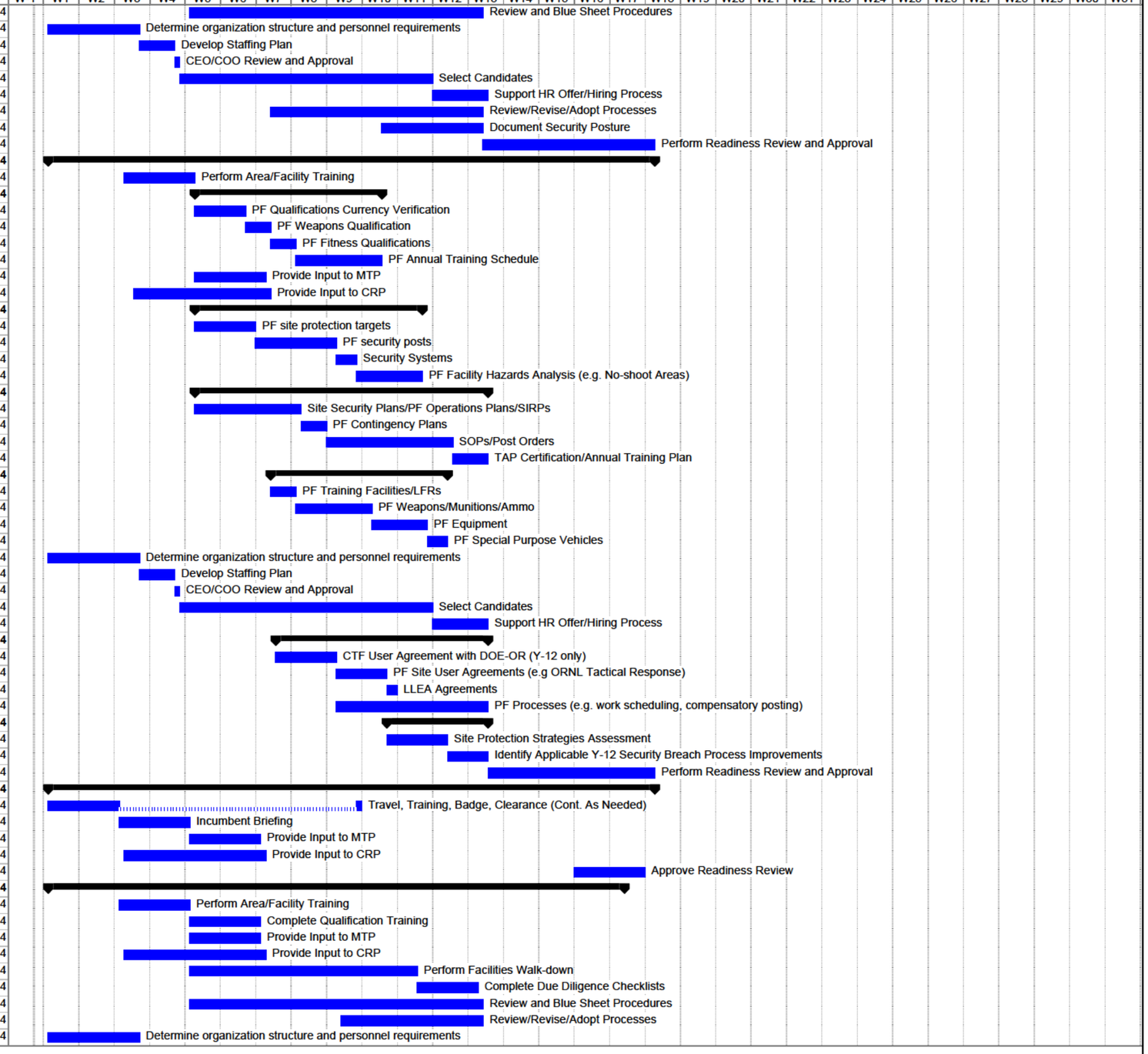
| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 631 | 1.7.7.10 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 632 | 1.7.7.11 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 633 | 1.7.7.12 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 634 | 1.7.7.13 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 635 | 1.7.7.14 | Document Security Posture | 28 days | 5/27/2014 | 6/23/2014 |
| 636 | 1.7.7.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 637 | **1.8** | **Safeguards and Security** | **120 days** | **3/3/2014** | **6/30/2014** |
| 638 | 1.8 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 6/3/2014 |
| 639 | 1.8 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 640 | 1.8 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 641 | 1.8 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 642 | 1.8 | Approve Readiness Review | 14 days | 6/17/2014 | 6/30/2014 |
| 643 | **1.8.1** | **Security Operations** | **120 days** | **3/3/2014** | **6/30/2014** |
| 644 | 1.8.1.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 645 | 1.8.1.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 646 | 1.8.1.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 647 | 1.8.1.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 648 | 1.8.1.5 | Participate in Facility Walk-downs as Applicable | 45 days | 3/31/2014 | 5/14/2014 |
| 649 | 1.8.1.6 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 650 | 1.8.1.8 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 651 | 1.8.1.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 652 | 1.8.1.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 653 | 1.8.1.11 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 654 | 1.8.1.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 655 | 1.8.1.13 | Review/Revise/Adopt Processes | 42 days | 4/16/2014 | 5/27/2014 |
| 656 | 1.8.1.14 | Document Security Posture | 20 days | 5/8/2014 | 5/27/2014 |
| 657 | 1.8.1.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 658 | **1.8.2** | **Safeguards** | **120 days** | **3/3/2014** | **6/30/2014** |
| 659 | 1.8.2.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 660 | 1.8.2.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 661 | 1.8.2.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 662 | 1.8.2.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 663 | 1.8.2.5 | Participate in Facility Walk-downs as Applicable | 45 days | 3/31/2014 | 5/14/2014 |
| 664 | 1.8.2.6 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 665 | 1.8.2.8 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 666 | 1.8.2.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 667 | 1.8.2.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 668 | 1.8.2.11 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 669 | 1.8.2.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 670 | 1.8.2.13 | Review/Revise/Adopt Processes | 42 days | 4/16/2014 | 5/27/2014 |
| 671 | 1.8.2.14 | Document Security Posture | 20 days | 5/8/2014 | 5/27/2014 |
| 672 | 1.8.2.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 673 | **1.8.3** | **Program Management** | **120 days** | **3/3/2014** | **6/30/2014** |
| 674 | 1.8.3.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 675 | 1.8.3.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 676 | 1.8.3.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 677 | 1.8.3.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 678 | 1.8.3.5 | Participate in Facility Walk-downs as Applicable | 45 days | 3/31/2014 | 5/14/2014 |
| 679 | 1.8.3.6 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 680 | 1.8.3.8 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 681 | 1.8.3.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 682 | 1.8.3.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 683 | 1.8.3.11 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 684 | 1.8.3.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 685 | 1.8.3.13 | Review/Revise/Adopt Processes | 42 days | 4/16/2014 | 5/27/2014 |
| 686 | 1.8.3.14 | Document Security Posture | 20 days | 5/8/2014 | 5/27/2014 |
| 687 | 1.8.3.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 688 | **1.8.4** | **Emergency Services** | **120 days** | **3/3/2014** | **6/30/2014** |
| 689 | 1.8.4.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 690 | 1.8.4.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 691 | 1.8.4.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 692 | 1.8.4.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 693 | 1.8.4.5 | Participate in Facility Walk-downs as Applicable | 45 days | 3/31/2014 | 5/14/2014 |

Control Schedule

# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 694 | 1.8.4.6 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 695 | 1.8.4.8 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 696 | 1.8.4.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 697 | 1.8.4.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 698 | 1.8.4.11 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 699 | 1.8.4.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 700 | 1.8.4.13 | Review/Revise/Adopt Processes | 42 days | 4/16/2014 | 5/27/2014 |
| 701 | 1.8.4.14 | Document Security Posture | 20 days | 5/8/2014 | 5/27/2014 |
| 702 | 1.8.4.15 | Perform Readiness Review and Approval | 34 days | 5/28/2014 | 6/30/2014 |
| 703 | **1.8.5** | **Protective Force** | **120 days** | **3/3/2014** | **6/30/2014** |
| 704 | 1.8.5.1 | Perform Area/Facility Training | 14 days | 3/18/2014 | 3/31/2014 |
| 705 | **1.8.5.2** | **Complete Qualification Training** | **37 days** | **4/1/2014** | **5/7/2014** |
| 706 | 1.8.5.2.1 | PF Qualifications Currency Verification | 10 days | 4/1/2014 | 4/10/2014 |
| 707 | 1.8.5.2.2 | PF Weapons Qualification | 5 days | 4/11/2014 | 4/15/2014 |
| 708 | 1.8.5.2.3 | PF Fitness Qualifications | 5 days | 4/16/2014 | 4/20/2014 |
| 709 | 1.8.5.2.4 | PF Annual Training Schedule | 17 days | 4/21/2014 | 5/7/2014 |
| 710 | 1.8.5.3 | Provide Input to MTP | 14 days | 4/1/2014 | 4/14/2014 |
| 711 | 1.8.5.4 | Provide Input to CRP | 27 days | 3/20/2014 | 4/15/2014 |
| 712 | **1.8.5.5** | **Participate in Facility Walk-downs as Applicable** | **45 days** | **4/1/2014** | **5/15/2014** |
| 713 | 1.8.5.5.1 | PF site protection targets | 12 days | 4/1/2014 | 4/12/2014 |
| 714 | 1.8.5.5.2 | PF security posts | 16 days | 4/13/2014 | 4/28/2014 |
| 715 | 1.8.5.5.3 | Security Systems | 4 days | 4/29/2014 | 5/2/2014 |
| 716 | 1.8.8.5.4 | PF Facility Hazards Analysis (e.g. No-shoot Areas) | 13 days | 5/3/2014 | 5/15/2014 |
| 717 | **1.8.5.6** | **Review and Blue Sheet Procedures** | **58 days** | **4/1/2014** | **5/28/2014** |
| 718 | 1.8.5.6.1 | Site Security Plans/PF Operations Plans/SIRPs | 21 days | 4/1/2014 | 4/21/2014 |
| 719 | 1.8.5.6.2 | PF Contingency Plans | 5 days | 4/22/2014 | 4/26/2014 |
| 720 | 1.8.5.6.3 | SOPs/Post Orders | 25 days | 4/27/2014 | 5/21/2014 |
| 721 | 1.8.5.6.4 | TAP Certification/Annual Training Plan | 7 days | 5/22/2014 | 5/28/2014 |
| 722 | **1.8.5.7** | **Inventory/Acceptance/Transfer of PF Property** | **35 days** | **4/16/2014** | **5/20/2014** |
| 723 | 1.8.5.7.1 | PF Training Facilities/LFRs | 5 days | 4/16/2014 | 4/20/2014 |
| 724 | 1.8.5.7.2 | PF Weapons/Munitions/Ammo | 15 days | 4/21/2014 | 5/5/2014 |
| 725 | 1.8.5.7.3 | PF Equipment | 11 days | 5/6/2014 | 5/16/2014 |
| 726 | 1.8.5.7.4 | PF Special Purpose Vehicles | 4 days | 5/17/2014 | 5/20/2014 |
| 727 | 1.8.5.8 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 728 | 1.8.5.9 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 729 | 1.8.5.10 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 730 | 1.8.5.11 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 731 | 1.8.5.12 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 732 | **1.8.5.13** | **Review/Revise/Adopt Processes** | **42 days** | **4/17/2014** | **5/28/2014** |
| 733 | 1.8.5.13.1 | CTF User Agreement with DOE-OR (Y-12 only) | 12 days | 4/17/2014 | 4/28/2014 |
| 734 | 1.8.5.13.2 | PF Site User Agreements (e.g ORNL Tactical Response) | 10 days | 4/29/2014 | 5/8/2014 |
| 735 | 1.8.5.13.3 | LLEA Agreements | 2 days | 5/9/2014 | 5/10/2014 |
| 736 | 1.8.5.13.4 | PF Processes (e.g. work scheduling, compensatory posting) | 30 days | 4/29/2014 | 5/28/2014 |
| 737 | **1.8.5.14** | **Document Security Posture** | **20 days** | **5/9/2014** | **5/28/2014** |
| 738 | 1.8.5.14.1 | Site Protection Strategies Assessment | 12 days | 5/9/2014 | 5/20/2014 |
| 739 | 1.8.5.14.2 | Identify Applicable Y-12 Security Breach Process Improvements | 8 days | 5/21/2014 | 5/28/2014 |
| 740 | 1.8.5.15 | Perform Readiness Review and Approval | 33 days | 5/29/2014 | 6/30/2014 |
| 741 | **1.9** | **Mission Assurance** | **120 days** | **3/3/2014** | **6/30/2014** |
| 742 | 1.9 | Travel, Training, Badge, Clearance (Cont. As Needed) | 15 days | 3/3/2014 | 5/3/2014 |
| 743 | 1.9 | Incumbent Briefing | 14 days | 3/17/2014 | 3/30/2014 |
| 744 | 1.9 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 745 | 1.9 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 746 | 1.9 | Approve Readiness Review | 14 days | 6/15/2014 | 6/28/2014 |
| 747 | **1.9.1** | **Nuclear Facility and High Hazard Operations** | **114 days** | **3/3/2014** | **6/24/2014** |
| 748 | 1.9.1.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 749 | 1.9.1.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 750 | 1.9.1.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 751 | 1.9.1.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 752 | 1.9.1.5 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 753 | 1.9.1.6 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 754 | 1.9.1.7 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 755 | 1.9.1.8 | Review/Revise/Adopt Processes | 28 days | 4/30/2014 | 5/27/2014 |
| 756 | 1.9.1.9 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |



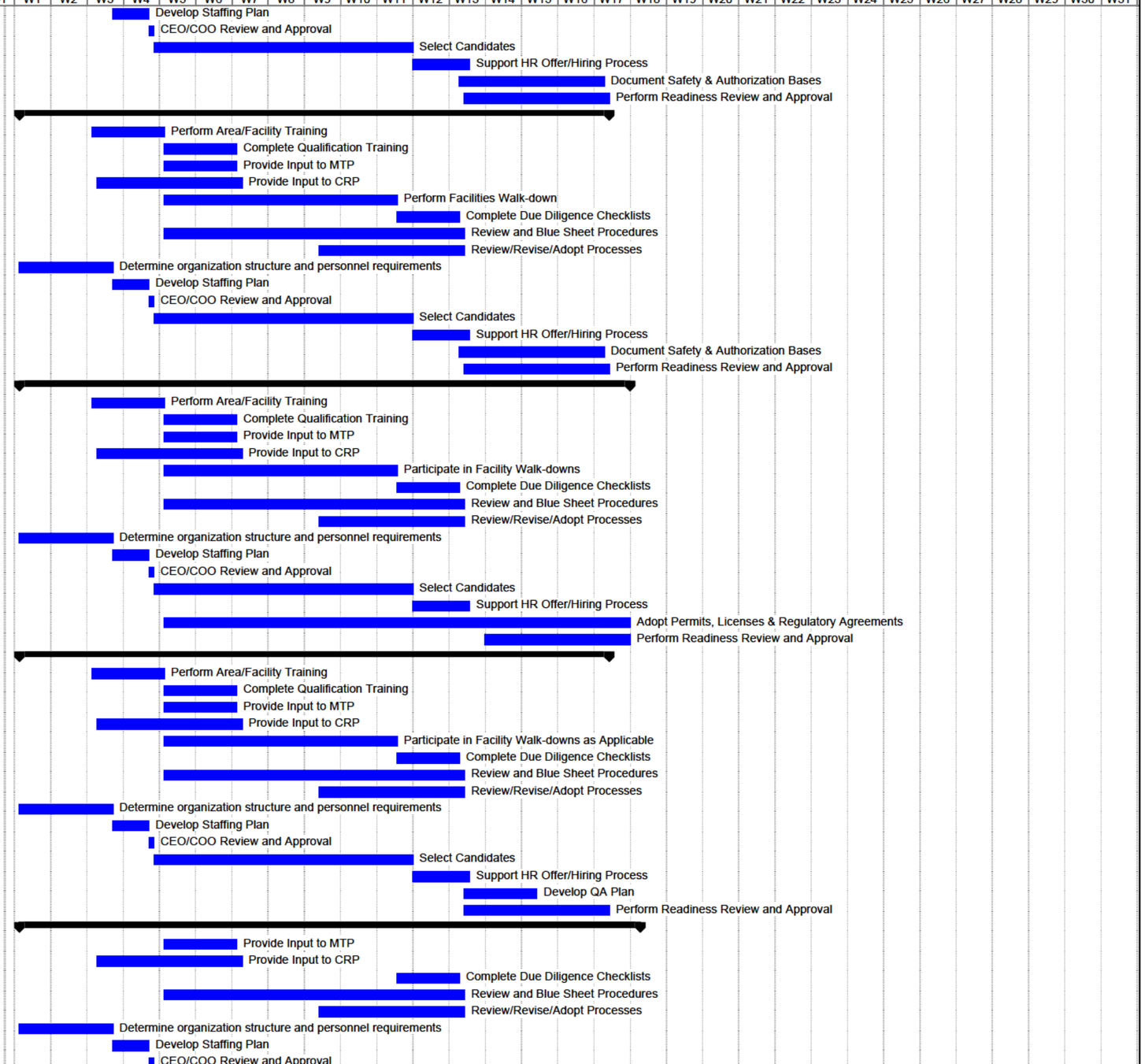
Control Schedule

# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM

Revision 7

| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 757 | 1.9.1.10 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 758 | 1.9.1.11 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 759 | 1.9.1.12 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 760 | 1.9.1.13 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 761 | 1.9.1.14 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 762 | 1.9.1.15 | Perform Readiness Review and Approval | 28 days | 5/28/2014 | 6/24/2014 |
| 763 | **1.9.2** | **Nuclear and Explosive Safety** | **114 days** | **3/3/2014** | **6/24/2014** |
| 764 | 1.9.2.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 765 | 1.9.2.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 766 | 1.9.2.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 767 | 1.9.2.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 768 | 1.9.2.5 | Perform Facilities Walk-down | 45 days | 3/31/2014 | 5/14/2014 |
| 769 | 1.9.2.6 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 770 | 1.9.2.7 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 771 | 1.9.2.8 | Review/Revise/Adopt Processes | 28 days | 4/30/2014 | 5/27/2014 |
| 772 | 1.9.2.9 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 773 | 1.9.2.10 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 774 | 1.9.2.11 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 775 | 1.9.2.12 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 776 | 1.9.2.13 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 777 | 1.9.2.14 | Document Safety & Authorization Bases | 28 days | 5/27/2014 | 6/23/2014 |
| 778 | 1.9.2.15 | Perform Readiness Review and Approval | 28 days | 5/28/2014 | 6/24/2014 |
| 779 | **1.9.3** | **Environment, Safety and Health** | **118 days** | **3/3/2014** | **6/28/2014** |
| 780 | 1.9.3.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 781 | 1.9.3.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 782 | 1.9.3.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 783 | 1.9.3.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 784 | 1.9.3.5 | Participate in Facility Walk-downs | 45 days | 3/31/2014 | 5/14/2014 |
| 785 | 1.9.3.6 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 786 | 1.9.3.7 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 787 | 1.9.3.8 | Review/Revise/Adopt Processes | 28 days | 4/30/2014 | 5/27/2014 |
| 788 | 1.9.3.9 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 789 | 1.9.3.10 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 790 | 1.9.3.11 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 791 | 1.9.3.12 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 792 | 1.9.3.13 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 793 | 1.9.3.14 | Adopt Permits, Licenses & Regulatory Agreements | 90 days | 3/31/2014 | 6/28/2014 |
| 794 | 1.9.3.15 | Perform Readiness Review and Approval | 28 days | 6/1/2014 | 6/28/2014 |
| 795 | **1.9.4** | **Quality Assurance** | **114 days** | **3/3/2014** | **6/24/2014** |
| 796 | 1.9.4.1 | Perform Area/Facility Training | 14 days | 3/17/2014 | 3/30/2014 |
| 797 | 1.9.4.2 | Complete Qualification Training | 14 days | 3/31/2014 | 4/13/2014 |
| 798 | 1.9.4.3 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 799 | 1.9.4.4 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 800 | 1.9.4.5 | Participate in Facility Walk-downs as Applicable | 45 days | 3/31/2014 | 5/14/2014 |
| 801 | 1.9.4.6 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 802 | 1.9.4.7 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 803 | 1.9.4.8 | Review/Revise/Adopt Processes | 28 days | 4/30/2014 | 5/27/2014 |
| 804 | 1.9.4.9 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 805 | 1.9.4.10 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 806 | 1.9.4.11 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 807 | 1.9.4.12 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 808 | 1.9.4.13 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 809 | 1.9.4.14 | Develop QA Plan | 14 days | 5/28/2014 | 6/10/2014 |
| 810 | 1.9.4.15 | Perform Readiness Review and Approval | 28 days | 5/28/2014 | 6/24/2014 |
| 811 | **1.9.5** | **Risk Management** | **120 days** | **3/3/2014** | **6/30/2014** |
| 812 | 1.9.5.1 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 813 | 1.9.5.2 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 814 | 1.9.5.3 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 815 | 1.9.5.4 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 816 | 1.9.5.5 | Review/Revise/Adopt Processes | 28 days | 4/30/2014 | 5/27/2014 |
| 817 | 1.9.5.6 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 818 | 1.9.5.7 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 819 | 1.9.5.8 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |



Control Schedule

# Y-12_Pantex Transition Schedule

As of: 2/28/2014, 3:33 PM
Revision 7

| ID | WBS | Task Name | Duration | Start | Finish |
|---|---|---|---|---|---|
| 820 | 1.9.5.9 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 821 | 1.9.5.10 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 822 | 1.9.5.11 | Establish Risk Management Process | 36 days | 5/26/2014 | 6/30/2014 |
| 823 | 1.9.5.12 | Develop Risk Register w/ Key Personnel | 21 days | 5/5/2014 | 5/25/2014 |
| 824 | 1.9.5.13 | Validate Risks & Mitigation Plans | 35 days | 5/27/2014 | 6/30/2014 |
| 825 | **1.9.6** | **Contractor Assurance** | **87 days** | **3/3/2014** | **5/28/2014** |
| 826 | 1.9.6.1 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 827 | 1.9.6.2 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 828 | 1.9.6.3 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 829 | 1.9.6.4 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 830 | 1.9.6.5 | Review/Revise/Adopt Processes | 28 days | 4/30/2014 | 5/27/2014 |
| 831 | 1.9.6.6 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 832 | 1.9.6.7 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 833 | 1.9.6.8 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 834 | 1.9.6.9 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 835 | 1.9.6.10 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 836 | **1.9.7** | **Internal Audit** | **87 days** | **3/3/2014** | **5/28/2014** |
| 837 | 1.9.7.1 | Provide Input to MTP | 14 days | 3/31/2014 | 4/13/2014 |
| 838 | 1.9.7.2 | Provide Input to CRP | 28 days | 3/18/2014 | 4/14/2014 |
| 839 | 1.9.7.3 | Complete Due Diligence Checklists | 12 days | 5/15/2014 | 5/26/2014 |
| 840 | 1.9.7.4 | Review and Blue Sheet Procedures | 58 days | 3/31/2014 | 5/27/2014 |
| 841 | 1.9.7.5 | Review/Revise/Adopt Processes | 28 days | 4/30/2014 | 5/27/2014 |
| 842 | 1.9.7.6 | Determine organization structure and personnel requirements | 18 days | 3/3/2014 | 3/20/2014 |
| 843 | 1.9.7.7 | Develop Staffing Plan | 7 days | 3/21/2014 | 3/27/2014 |
| 844 | 1.9.7.8 | CEO/COO Review and Approval | 1 day | 3/28/2014 | 3/28/2014 |
| 845 | 1.9.7.9 | Select Candidates | 50 days | 3/29/2014 | 5/17/2014 |
| 846 | 1.9.7.10 | Support HR Offer/Hiring Process | 11 days | 5/18/2014 | 5/28/2014 |
| 847 | 1.9.7.11 | Develop Audit Plan w/ NNSA | 35 days | 4/14/2014 | 5/18/2014 |
| 848 | **1.10** | **Uranium Processing Facility Transition Project** | **120 days** | **3/3/2014** | **6/30/2014** |
| 849 | 1.10 | Transition Start | 0 days | 3/3/2014 | 3/3/2014 |
| 850 | 1.10 | Transition Complete | 0 days | 6/30/2014 | 6/30/2014 |
| 851 | **1.10.1** | **UPF Transition Plan (Delv. #1)** | **120 days** | **3/3/2014** | **6/30/2014** |
| 852 | 1.10.1.1 | Submit UPF Transition Plan (Delv. #1 - Due 0d) | 0 days | 3/3/2014 | 3/3/2014 |
| 853 | 1.10.1.2 | Receive CO Approval | 0 days | 3/7/2014 | 3/7/2014 |
| 854 | 1.10.1.3 | Maintain Configuration Control | 115 days | 3/8/2014 | 6/30/2014 |
| 855 | **1.10.2** | **UPF Transition Cost Estimate (Delv. #2)** | **120 days** | **3/3/2014** | **6/30/2014** |
| 856 | 1.10.2.1 | Submit UPF Transition Cost Estimate (Delv. #2 - Due 0d) | 0 days | 3/3/2014 | 3/3/2014 |
| 857 | 1.10.2.2 | Monitor, Report & Control Budget | 120 days | 3/3/2014 | 6/30/2014 |
| 858 | **1.10.3** | **UPF Project Management Plan (Delv. #10)** | **90 days** | **3/3/2014** | **5/31/2014** |
| 859 | 1.10.3.1 | Develop UPF Project Management Plan | 90 days | 3/3/2014 | 5/31/2014 |
| 860 | 1.10.3.2 | Submit UPF PM Plan (Delv. #10 - Due 90d) | 0 days | 5/31/2014 | 5/31/2014 |
| 861 | **1.10.4** | **UPF Key Personnel Cost Estimate (Delv. #3)** | **0 days** | **3/3/2014** | **3/3/2014** |
| 862 | 1.10.4.1 | Submit UPF Key Personnel Cost Estimate (Delv. #3 - Due 0d) | 0 days | 3/3/2014 | 3/3/2014 |
| 863 | **1.10.5** | **Procurement** | **120 days** | **3/3/2014** | **6/30/2014** |
| 864 | 1.10.5.1 | Develop BNI Subcontract for CLIN II Scope | 60 days | 3/3/2014 | 5/1/2014 |
| 865 | 1.10.5.2 | Submit for Internal Approval | 15 days | 4/17/2014 | 5/1/2014 |
| 866 | 1.10.5.3 | CO Approval of BNI Subcontract | 30 days | 5/2/2014 | 5/31/2014 |
| 867 | 1.10.5.4 | Novate existing UPF Subcontracts to CNS | 119 days | 3/3/2014 | 6/29/2014 |
| 868 | 1.10.5.5 | Novate existing CNS Subcontracts to BNI | 1 day | 6/30/2014 | 6/30/2014 |
| 869 | 1.10.5.6 | Government Property DOR for CLIN II Subcontract | 30 days | 3/3/2014 | 4/1/2014 |
| 870 | 1.10.5.7 | UPF Government Property Inventory | 30 days | 4/2/2014 | 5/1/2014 |
| 871 | 1.10.5.8 | Prepare Property Occupation Plan | 30 days | 3/3/2014 | 4/1/2014 |
| 872 | 1.10.5.9 | SF122 Transfer Document - Real Property & Assets | 30 days | 6/1/2014 | 6/30/2014 |
| 873 | **1.10.6** | **O&AS** | **120 days** | **3/3/2014** | **6/30/2014** |
| 874 | 1.10.6.1 | Walkdown of current facilities used by UPF | 21 days | 3/3/2014 | 3/23/2014 |
| 875 | 1.10.6.2 | Develop lease requirements/assumptions | 60 days | 3/10/2014 | 5/8/2014 |
| 876 | 1.10.6.3 | Develop Records Requirements for CLIN II Subcontractor | 59 days | 5/3/2014 | 6/30/2014 |
| 877 | **1.10.7** | **IS&T** | **88 days** | **4/2/2014** | **6/28/2014** |
| 878 | 1.10.7.1 | Develop interface Agreement for CLIN II Subcontract | 35 days | 4/2/2014 | 5/6/2014 |
| 879 | 1.10.7.2 | Develop CNS rates for services provided to CLIN II Subcontractor | 60 days | 4/30/2014 | 6/28/2014 |

# Figure 17

# Transition Staffing Plan

Consolidated Nuclear Security

| Position Information | | | | | | | Week Starting Date (Sunday) | | | | | | | | | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Position | Company | WBS | Assignment | Grade | Prime Loc | | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 | Week 9 | Week 10 | Week 11 | Week 12 | Week 13 | Week 14 | Week 15 | Week 16 | Week 17 | Week 18 | Week 19 | FTEs |
| **CLIN 1** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **1.0 - Transition Project (CEO/COO)** | | | | | | | | | | | | | | | | | | | | | | | | | |
| CEO | Bechtel | 1.0 | Local | Key1 | OR | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 8.5 |
| COO | Bechtel | 1.0 | TA/BT | Key2 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Admin | Bechtel | 1.0 | Local | 25 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Executive Assistant | Bechtel | 1.0 | TA/BT | 26 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| **1.1 - Transition** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager | Bechtel | 1.1 | TA/BT | Key | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| Manager Transition Spt. | ATK | 1.1 | TA/BT | 1 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Admin - Oak Ridge | Bechtel | 1.1 | Local | 22 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| Admin - Pantex | Bechtel | 1.1 | TA/BT | 24 | PX | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| Transition Leader - Oak Ridge | Bechtel | 1.1 | Local | 31 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| Transition Leader - Pantex | Bechtel | 1.1 | TA/BT | 31 | PX | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| OA&S Support - Oak Ridge | Bechtel | 1.1 | TA/BT | 25 | OR | | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 21.0 |
| OA&S Support - Amarillo | Bechtel | 1.1 | BT | 27 | PX | | 1 | 1 | | 0.6 | | 0.6 | | 0.6 | | 0.6 | | 0.6 | | 0.6 | | 0.6 | | 1 | 0.6 | 7.8 |
| Document & Records Control - Oak Ridge | Bechtel | 1.1 | TA/BT | 23 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| Document & Records Control - Amarillo | Bechtel | 1.1 | TA/BT | 23 | PX | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| Project Controls | Bechtel | 1.1 | TA/BT | 27 | OR | | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| IT Support - Oak Ridge | Bechtel | 1.1 | Local | 25 | OR | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 38.0 |
| IT Support - Amarillo | Bechtel | 1.1 | Local | 25 | PX | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 19.0 |
| **1.2 - Transformation** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Transformation Management** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Partner | BAH | 1.2 | BT | 1 | OR | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | | | 3.4 |
| Principal | BAH | 1.2 | TA/BT | 2 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Associate | BAH | 1.2 | TA/BT | 5 | PX | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Senior Consultant | BAH | 1.2 | BT | 6 | OR | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | | | 1.7 |
| **Financial Baseline** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Associate | BAH | 1.2 | TA/BT | 3 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Associate | BAH | 1.2 | TA/BT | 5 | PX | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | | | 16.0 |
| **Information Technology** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Associate | BAH | 1.2 | TA/BT | 5 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| Associate | BAH | 1.2 | TA/BT | 5 | PX | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | 15.0 |
| **Material** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Associate | BAH | 1.2 | TA/BT | 3 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | 15.0 |
| **Labor & Organization** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Associate | BAH | 1.2 | TA/BT | 3 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| Lead Associate - Mission | BAH | 1.2 | TA/BT | 4 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| Lead Associate - Mission Assurance | BAH | 1.2 | TA/BT | 4 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | 15.0 |
| Lead Associate - Mission Support | BAH | 1.2 | TA/BT | 4 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | 15.0 |
| Associate - Mission Support | BAH | 1.2 | TA/BT | 5 | PX | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | 32.0 |
| **1.3 - Program Integration** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager (Key) | Bechtel | 1.3 | Local/BT | Key4 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| **1.4 - Mission Support** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager (Key) | Lockheed | 1.4 | TA/BT | Key5 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Administration Rep Sr | Lockheed | 1.4 | Local | 3 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Master Program Planner Sr Stf | Lockheed | 1.4 | TA/BT | 5 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Business Operations Sr Mgr | Lockheed | 1.4 | TA/BT | 6 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Financial Analyst | Lockheed | 1.4 | TA/BT | 2 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |

| Position Information | | | | | | | Week Starting Date (Sunday) | | | | | | | | | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Position | Company | WBS | Assignment | Grade | Prime Loc | | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 | Week 9 | Week 10 | Week 11 | Week 12 | Week 13 | Week 14 | Week 15 | Week 16 | Week 17 | Week 18 | Week 19 | FTEs |
| Subcontrct Mgmt Sr Mgr | Lockheed | 1.4 | TA/BT | 6 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| **1.4.1 - Chief Financial Officer** | | | | | | | | | | | | | | | | | | | | | | | | | |
| CFO (Key) | Bechtel | 1.4.1 | TA/BT | Key | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Staff - OR support CFO, staffing, MTP, CRP, blue s | Bechtel | 1.4.1 | TA/BT | 27 | OR | | 0.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.5 |
| Staff - OR, banking, LOC, Payroll, preexisting cond | Bechtel | 1.4.1 | Local | 28 | OR | | | 1 | 1 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1 | | | 26.4 |
| Staff - Amarillo, blue sheets, preexisting conditions | Bechtel | 1.4.1 | TA/BT | 27 | PX | | 0.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.5 |
| Cost Model Team/rates/disclosure statement | Bechtel | 1.4.1 | Local | 29/25 | OR | | | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1 | | | 28.0 |
| Reporting/WorkAround Process | Bechtel | 1.4.1 | TA/BT | 29/25 | OR | | | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1 | | | 28.0 |
| IT Finance Resource | Bechtel | 1.4.1 | Local | 27 | OR | | | 0.5 | 0.5 | 0.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 14.5 |
| **1.4.2 - Project and Facility Management** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager - Facility and Infrastructure | ATK | 1.4.2. | TA/BT | 2 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Facility Management - Oak Ridge | Bechtel | 1.4.2 | TA/BT | 29 | OR | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Facility Management - Amarillo | Bechtel | 1.4.2 | TA/BT | 29 | PX | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Project Management | Bechtel | 1.4.2 | BT | 29 | OR | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 7.5 |
| Construction | Bechtel | 1.4.2 | BT | 28 | OR | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 7.5 |
| Project Controls | Bechtel | 1.4.2 | TA/BT | 28 | OR | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Project Controls | Bechtel | 1.4.2 | TA/BT | 27 | PX | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| **1.4.3 - Chief Information Officer** | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIO | Lockheed | 1.4.3 | TA/BT | 7 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Information Systems Mgr - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 7 | OR | | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | | | 12.0 |
| Business Process Analyst - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 5 | OR | | | 0.3 | 0.3 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | | | 10.3 |
| Database Administrator - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 4 | OR | | | 0.0 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | | | 3.0 |
| Desktop/Admin - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 3 | OR | | | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | | | 4.5 |
| Info Systems Mgr (Desktop Svcs) - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 5 | OR | | 0.5 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | | | 12.5 |
| Catalog/Portal/Asset Inventory - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 5 | OR | | | 0.5 | 0.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Network Engineering - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 4 | OR | | | | 0.2 | 0.2 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | | | 4.6 |
| Software Engineer - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 6 | OR | | | | | | 0.3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 12.3 |
| Customer Outreach/Inreach - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 4 | OR | | | | 1.0 | 1.0 | 1.0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Systems Admin - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 6 | OR | | | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1.5 | 1.5 | 1.5 | 1.5 | | | 29.0 |
| Engineering Mgr - Oak Ridge | Lockheed | 1.4.3 | TA/BT | 6 | OR | | 0.5 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | | | 12.5 |
| Information Systems Mgr - Amarillo | Lockheed | 1.4.3 | TA/BT | 7 | PX | | | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | | | 4.0 |
| Desktop/Admin - Amarillo | Lockheed | 1.4.3 | TA/BT | 3 | PX | | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.0 | | | 3.0 |
| Info Systems Mgr (Desktop Svcs) - Amarillo | Lockheed | 1.4.3 | TA/BT | 5 | PX | | | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | | | 4.0 |
| Network Engineering - Amarillo | Lockheed | 1.4.3 | TA/BT | 4 | PX | | | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | | | 2.1 |
| Software Engineer - Amarillo | Lockheed | 1.4.3 | TA/BT | 6 | PX | | | | | | 0.3 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 6.3 |
| Systems Admin - Amarillo | Lockheed | 1.4.3 | TA/BT | 6 | PX | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0.5 | 0.5 | 0.5 | 0.5 | | | 13.0 |
| Engineering Mgr - Amarillo | Lockheed | 1.4.3 | TA/BT | 6 | PX | | | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | | | 4.0 |
| **1.4.4 - Human Resources** | | | | | | | | | | | | | | | | | | | | | | | | | |
| HR Manager (Key) | Lockheed | 1.4.4 | TA/BT | Key7 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Admin | Lockheed | 1.4.4 | Local | 3 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| 1.4.4.1 Pay and Benefits | Bechtel | 1.4.4.1 | TA/BT | 28 | OR | | 1 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | | | 58.0 |
| 1.4.4.2 CNS Staffing Plan - Oak Ridge | Bechtel | 1.4.4.2 | TA/BT | 27 | OR | | 1 | 2 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 6 | 6 | 6 | 6 | 7 | | | 95.0 |
| 1.4.4.2 CNS Staffing Plan - Amarillo | Bechtel | 1.4.4.2 | TA/BT | 27 | PX | | | | 2 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 4 | 4 | 4 | 4 | 5 | | | 61.0 |
| 1.4.4.2 Admin | Lockheed | 1.4.4.2 | Local | 3 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| 1.4.4.4 Policy & Procedure | Bechtel | 1.4.4.4 | TA/BT | 27 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| 1.4.4.4 Admin | Lockheed | 1.4.4.4 | Local | 3 | OR | | | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 6.5 |
| 1.4.4.5 Labor Relations - Oak Ridge | Lockheed | 1.4.4.5 | BT | 6 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| 1.4.4.5 Labor Relations - Amarillo | Lockheed | 1.4.4.5 | BT | 5 | PX | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| HR Communications | Bechtel | 1.4.4.5 | TA/BT | 27 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| HR IT Support | Lockheed | 1.4.4.5 | TA/BT | 4 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |

| Position Information | | | | | | | Week Starting Date (Sunday) | | | | | | | | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Position | Company | WBS | Assignment | Grade | Prime Loc | | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 | Week 9 | Week 10 | Week 11 | Week 12 | Week 13 | Week 14 | Week 15 | Week 16 | Week 17 | Week 18 | Week 19 | FTEs |
| HR Communications | Bechtel | 1.4.4.5 | TA/BT | 29 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| HR ROS | Bechtel | 1.4.4.5 | Local | 24 | OR | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 8.0 |
| **1.4.5 - Procurement** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff - Oak Ridge | Bechtel | 1.4.5 | TA/BT | 30 | OR | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Staff - Amarillo | Bechtel | 1.4.5 | TA/BT | 28 | PX | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Property - Oak Ridge | Bechtel | 1.4.5 | TA/BT | 29 | OR | | | | 1 | 1 | 1 | | 1 | 1 | 1 | | | | | | | 1 | 1 | | | 8.0 |
| Property - Amarillo | Bechtel | 1.4.5 | TA/BT | 27 | PX | | | | 1 | 1 | 1 | | 1 | 1 | 1 | | | | | | | 1 | 1 | | | 8.0 |
| **1.4.6 - Communications** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff - Oak Ridge | Bechtel | 1.4.6 | TA/BT | 28 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Staff - Amarillo | Bechtel | 1.4.6 | TA/BT | 26 | PX | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 8.5 |
| **1.4.7 - Prime Contracts** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff | Bechtel | 1.4.7 | TA/BT | 28 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| **1.4.8 - Legal** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff | Bechtel | 1.4.8 | TA/BT | 29 | OR | | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | | | 25.5 |
| **1.5 - Mission Engineering** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager (Key) | Lockheed | 1.5 | TA/BT | Key8 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Research Engineering Dir | Lockheed | 1.5 | TA/BT | 7 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| Mechancial Engineer Sr Mgr | Lockheed | 1.5 | TA/BT | 6 | OR | | 1 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | | | 48.0 |
| Mechanical Engineer Mgr | Lockheed | 1.5 | TA/BT | 5 | OR | | | | | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | 18.0 |
| Mechanical Engineer Stf | Lockheed | 1.5 | TA/BT | 4 | OR | | | | 2 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | | | | | | 45.0 |
| Administration Rep Sr | Lockheed | 1.5 | TA/BT | 3 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| **1.6 - Uranium Operations** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager (Key) - Oak Ridge | Bechtel | 1.6 | Local/BT | Key | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Staff - Oak Ridge | Bechtel | 1.6 | TA/BT | 27 | OR | | | | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | 26.0 |
| Manager - Ops, F&I, Risk Mgmt | ATK | 1.6 | TA/BT | 3 | OR | | 0.5 | 0.5 | 0.5 | 0.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| **1.7 - Weapons Assembly/Disassembly** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager (Key) - Amarillo | Lockheed | 1.7 | TA/BT | Key9 | PX | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Staff - Amarillo | Lockheed | 1.7 | TA/BT | 6 | PX | | | | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | 26.0 |
| Manager - HE, Hazards, F&!, Risk Mgmt | ATK | 1.7 | TA/BT | 4 | PX | | 0.5 | 0.5 | 0.5 | 0.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| **1.8 - Safeguards and Security** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager - Safeguards and Security | SOC | 1.8 | TA/BT | 29 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Manager - Amarillo | SOC | 1.8 | TA/BT | 29 | PX | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Manager - Oak Ridge | SOC | 1.8 | TA/BT | 29 | OR | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| Staff - Oak Ridge | SOC | 1.8 | Local | 23 | OR | | | | | | | | | | | | | | | 1 | 1 | 1 | 1 | | | 4.0 |
| Security Operations Mgr | SOC | 1.8.1 | Local | 26 | OR | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 9.0 |
| Info Sec, Per Sec, CMPC, Cyber Sec, PSS | SOC | 1.8.1 | Local | 26 | OR | | | | | | | | | | | | | | | 1 | 1 | 1 | 1 | | | 4.0 |
| Security Operations Mgr - Oak Ridge | SOC | 1.8.1 | Local | 27 | OR | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 9.0 |
| Info Sec, Per Sec, CMPC, Cyber Sec, PSS | SOC | 1.8.1 | Local | 26 | OR | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | | | 13.0 |
| Safeguards Staff (MC&A, NMMSS) | SOC | 1.8.2 | Local | 27 | OR | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | | | 11.0 |
| Safeguards Staff - Oak Ridge (MC&A, NMMSS) | SOC | 1.8.2 | Local | 27 | OR | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | | | 11.0 |
| S&S Program Management | SOC | 1.8.3 | Local | 29 | OR | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 9.0 |
| SSPs/VAs, Surveys, ISSM, Security Projects | SOC | 1.8.3 | Local | 26 | OR | | | | | | | | | | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | | | 5.0 |
| S&S Program Management - Oak Ridge | SOC | 1.8.3 | Local | 29 | OR | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 11.0 |
| SSPs/VAs, Surveys, ISSM, Security Projects | SOC | 1.8.3 | Local | 26 | OR | | | | | | | | | | | | | 1 | 1 | 1 | 1 | 2 | 2 | | | 8.0 |
| Emergency Services Staff - Amarillo | SOC | 1.8.4 | Local | 26 | PX | | | | | | | | | | | | | 0.5 | 0.5 | 1 | 1 | 1 | 1 | | | 5.0 |
| Emergency Services Staff - Oak Ridge | SOC | 1.8.4 | Local | 26 | OR | | | | | | | | | | | | | 0.5 | 0.5 | 1 | 1 | 1 | 1 | | | 5.0 |
| Protective Force Manager - Amarillo | SOC | 1.8.5 | Local | 28 | PX | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 13.0 |
| Protective Force Staff - Amarillo | SOC | 1.8.5 | Local | 25 | PX | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 10.0 |
| Protective Force Manager - Oak Ridge | SOC | 1.8.5 | TA/BT | 28 | OR | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 13.0 |
| Protective Force Staff - Oak Ridge | SOC | 1.8.5 | Local | 25 | OR | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | | | 14.0 |

| Position Information | | | | | | | Week Starting Date (Sunday) | | | | | | | | | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Position | Company | WBS | Assignment | Grade | Prime Loc | | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 | Week 9 | Week 10 | Week 11 | Week 12 | Week 13 | Week 14 | Week 15 | Week 16 | Week 17 | Week 18 | Week 19 | FTEs |
| **1.9 - Mission Assurance** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager (Key) | Bechtel | 1.9 | Local | Key11 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Admin | Bechtel | 1.9 | Local | 21 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| **1.9.1 - Nuclear Facility and High Hazard Operations** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff | Bechtel | 1.9.1 | BT | 28 | OR | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 7.5 |
| **1.9.2 -Nuclear and Explosive Safety** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff | Bechtel | 1.9.2 | TA/BT | 27 | PX | | | | 0.5 | 0.5 | 0.5 | 0.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 13.0 |
| **1.9.3 - Environment, Safety and Health** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff - Oak Ridge | Bechtel | 1.9.3 | TA/BT | 30 | OR | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | | | 19.0 |
| Staff - Amarillo | Bechtel | 1.9.3 | BT | 27 | PX | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 13.0 |
| Manager | ATK | 1.9.3 | TA/BT | 5 | OR | | 0.5 | 0.5 | 0.5 | 1 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | | | 22.0 |
| **1.9.4 - Quality Assurance** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff - Oak Ridge | Bechtel | 1.9.4 | TA/BT | 27 | OR | | | | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | 28.0 |
| Staff - Amarillo | Bechtel | 1.9.4 | TA/BT | 27 | PX | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| **1.9.5 - Risk Management** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff | Bechtel | 1.9.5 | BT | 28 | OR | | | | | | 0.5 | 0.5 | 0 | 0 | 0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 5.0 |
| **1.9.6 - Contractor Assurance** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff | Bechtel | 1.9.6 | TA/BT | 27 | OR | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 15.0 |
| **1.9.7 - Internal Audit** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Staff | Bechtel | 1.9.7 | Local | 26 | OR | | | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 6.5 |
| **CLIN 2 - OPTION** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **1.10 - UPF** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager (Key) | Bechtel | 1.10 | TA/BT | Key | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Transition Manager | Bechtel | 1.10 | TA/BT | 28 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |
| Project Manager | Bechtel | 1.10 | Local | 30 | OR | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | | | 1.7 |
| Construction Field Engineer | Bechtel | 1.10 | Local | 27 | OR | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 7.5 |
| Procurement Specialist | Bechtel | 1.10 | Local | 25 | OR | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | | | 7.5 |
| Information Technology Specialist | Bechtel | 1.10 | Local | 24 | | | | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | | | 3.0 |
| Proj Controls/HR/Support | Bechtel | 1.10 | TA/BT | 25 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| Contracts Specialist | Bechtel | 1.10 | TA/BT | 27 | OR | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 16.0 |
| Admin | Bechtel | 1.10 | Local | 21 | OR | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 17.0 |

| CLIN 1 | Total FTE's | 51.3 | 84.1 | 109.7 | 118.5 | 131.4 | 130.8 | 133.2 | 136.8 | 141.2 | 140.2 | 141.6 | 144.2 | 142.4 | 148.0 | 143.4 | 149.0 | 140.7 | 12.0 | 11.6 | 2210.0 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bechtel | 28.5 | 41.1 | 59.1 | 63.5 | 68.4 | 67.0 | 68.4 | 70.0 | 69.4 | 68.5 | 69.9 | 70.5 | 67.9 | 69.5 | 68.9 | 71.5 | 70.5 | 12.0 | 11.6 | 1116.2 |
| | ATK | 3.5 | 3.5 | 3.5 | 4.0 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 0.0 | 0.0 | 86.0 |
| | BAH | 4.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 13.3 | 8.3 | 0.0 | 0.0 | 212.1 |
| | Lockheed M | 14.0 | 25.2 | 30.8 | 34.7 | 39.2 | 40.0 | 40.0 | 40.0 | 39.0 | 38.9 | 38.9 | 38.9 | 38.7 | 37.7 | 33.7 | 33.7 | 31.4 | 0.0 | 0.0 | 594.7 |
| | SOC | 1.0 | 1.0 | 3.0 | 3.0 | 5.0 | 5.0 | 6.0 | 8.0 | 14.0 | 14.0 | 14.0 | 16.0 | 17.0 | 22.0 | 22.0 | 25.0 | 25.0 | 0.0 | 0.0 | 201.0 |
| | Total | 51.3 | 84.1 | 109.7 | 118.5 | 131.4 | 130.8 | 133.2 | 136.8 | 141.2 | 140.2 | 141.6 | 144.2 | 142.4 | 148.0 | 143.4 | 149.0 | 140.7 | 12.0 | 11.6 | 2210.0 |
| | OR | 41.8 | 69.1 | 86.0 | 92.3 | 100.9 | 100.6 | 102.1 | 104.1 | 109.1 | 108.6 | 109.6 | 111.1 | 110.9 | 115.9 | 111.9 | 115.9 | 109.5 | 7.0 | 7.0 | |
| | PX | 9.5 | 15.0 | 23.7 | 26.2 | 30.5 | 30.2 | 31.1 | 32.7 | 32.1 | 31.7 | 32.0 | 33.1 | 31.5 | 32.1 | 31.5 | 33.1 | 31.3 | 5.0 | 4.6 | |

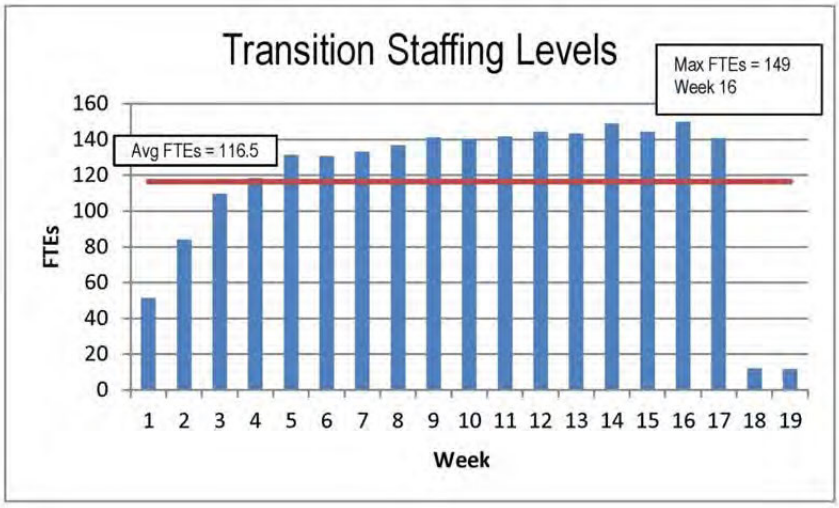
| CLIN 2 | Total FTE's | 3.1 | 5.1 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 0.0 | 0.0 | 102.7 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bechtel | 3.1 | 5.1 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 0.0 | 0.0 | 102.7 |
| | ATK | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | BAH | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Lockheed M | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | SOC | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Total | 3.1 | 5.1 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 0.0 | 0.0 | 102.7 |
| | OR | 3 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 0 | 0 | |
| | PX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

# Figure 18

# Transition Staffing Curve

Consolidated Nuclear Security

Transition Staffing Levels
Max FTEs = 149
Week 16
Avg FTEs = 116.5
FTEs
Week
0
20
40
60
80
100
120
140
160
0
5
10
15
20


Transition Staffing Levels
Max FTEs = 149
Week 16
Avg FTEs = 116.5
FTEs
Week
0
20
40
60
80
100
120
140
160
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

# Appendix A

# Pantex/Y-12
# Transition Communications Plan

March 3, 2014

Consolidated Nuclear Security
Enterprise Management

# Table of Contents

1. Situation ..... 1

2. Purpose ..... 1

3. Background ..... 1

4. Site Communications Protocol ..... 2

5. Key Messages ..... 5

6. Goals and Tactics ..... 6

7. Communications Transition Schedule ..... 9

8. Key Stakeholder Groups ..... 10

9. Draft E-mail Note from Jim Haynes to Employees Day 1 ..... 12

10. Town Hall Meetings Schedule ..... 13

11. Draft Website Text ..... 14

# Figures

Figure 1: Site Communications ..... 3

# Tables

Table 1: Communications Matrix ..... 3

## 1. Situation

When Consolidated Nuclear Security, LLC (CNS) wins the Y-12/Pantex bid, many commitments made in the proposal will need to be executed quickly. Some of these commitments may not be perceived favorably by current employees or communities. CNS will need to communicate quickly, accurately, and honestly to inform employees and stakeholders of these changes.

## 2. Purpose

The purpose of this plan is to establish an internal and external communications strategy for all matters affecting the Y-12/Pantex transition.

CNS is committed to an efficient, orderly, seamless, and successful transition. To accomplish this, the transition must

- Enable the completion of transition activities so CNS can assume full responsibility for Y-12/Pantex
- Minimize disruption/impact to the workforce so that the transition can be achieved in compliance with all safety, security, and environmental requirements

Consistent and effective communication will be critical for a smooth transition. Internal and external entities affected by the transition will receive consistent, factual information so they will understand the purpose and activities of the transition. Communications will also help employees understand their role in supporting the transition and ensure that they are informed and understand the reasons for the changes. Early, honest, and open communications will help alleviate employee anxiety over the uncertainty associated with contract turnovers.

The integrated plan outlined below identifies objectives, audiences, key messages, communication protocol, issue management, and communications tools to be used during the transition. These communications will help the incumbent employees get to know CNS, our values, our plans, and the rationale behind our plans. The communications offices at Y-12 and Pantex will implement the plan jointly, with NNSA concurrence.

## 3. Background

The Transition Communications Manager (or Lead) will be responsible for implementing the Transition Communications Plan in concurrence with Jim Haynes, President and CEO. Protocol for specific site communications is referenced in the next section. This plan will be finalized after contract award and in coordination with NNSA and the incumbent contractor. Communication managers will be in close coordination with transition managers through the entire transition period. Communications managers will be on the transition team and advise senior management about ways to help the workforce smoothly handle this period of transition while maintaining focus on completing work scope safely. Communications managers will work with designated organizations and experts to ensure accurate and timely messages are crafted, approved, and communicated.

For media interactions, Jim Haynes or his designated communications representative will speak for the company, coordinating with NNSA as appropriate. In Jim's absence, Jim Allen will fill that role.

CNS LLC was formed by the following companies :

- Bechtel
- Lockheed Martin
- ATK
- SOC

If NNSA decides to award the UPF, it will be subcontracted by CNS to BNI and BNI will offer employment to incumbent personnel.

NNSA Goals:

- Improving performance in the completion of national security missions for nuclear production operations;
- Transitioning and merging operations at geographically-dispersed centers of excellence for: nuclear weapon assembly/disassembly; enriched uranium; SNM; high-explosive production; and, tritium supply management under a single Contract;
- Reducing the cost of performing work; and
- Requiring actions that support operation as an integrated DOE/NNSA enterprise.

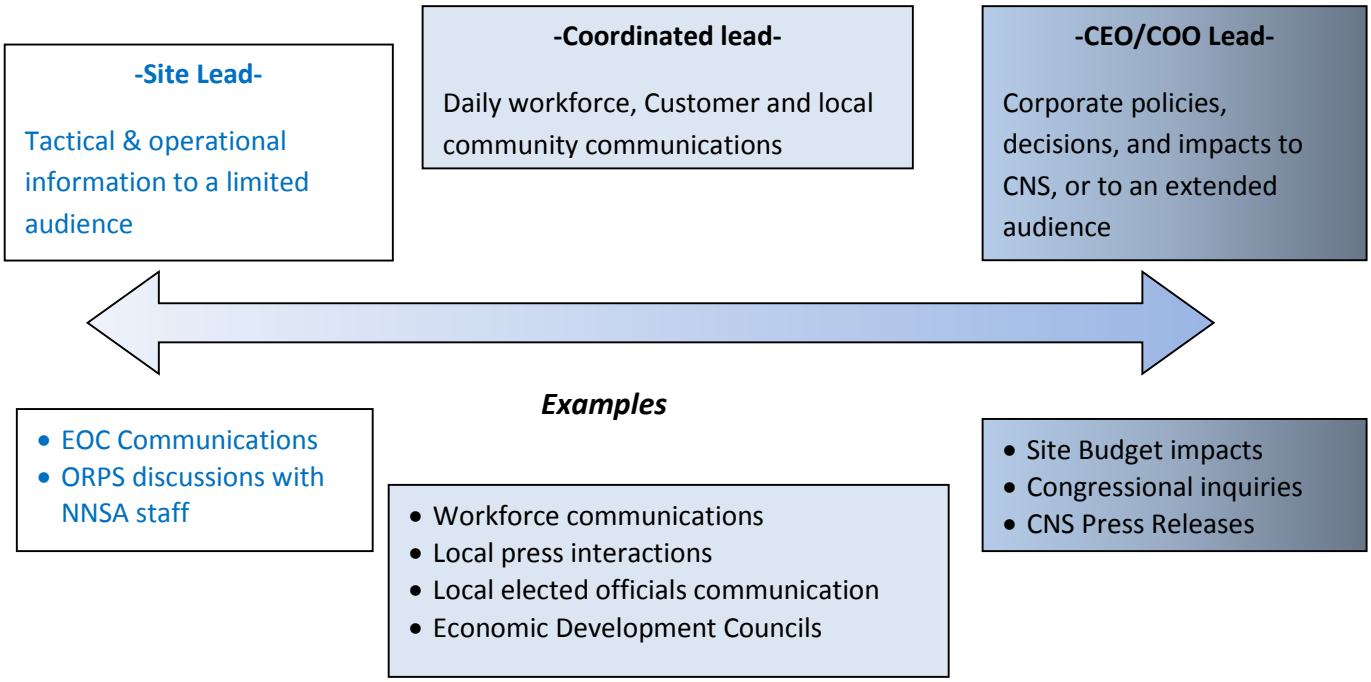
Part of the RFP states that the Contractor shall function as the single integrating contractor for scheduling parts and performing material logistics within the Nuclear Security Enterprise (NSE). The Contractor shall provide a single management structure and interface to the Government for integrating production across the NSE.

This plan will help in the process of aligning employees with the Merger-Transition Plan and creating a culture that highly values continuous process improvements.

## 4. Site Communications Protocol

There is a spectrum of communication techniques and topics that CNS can utilize to effectively manage communication needs on a daily basis (see figure 1 below).This shows examples of how some topics will be handled but overall communications will be very integrated.

**Figure 1**
**Site Communications**




The table below lays out how CNS will address communication needs. For those areas in which the Site Manager has authorization, it is expected that he will engage the Mission Support, Mission Assurance, Mission Engineering, or PIO Managers as needed to develop appropriate responses. By design, the CEO/COO can require their involvement in any communication they deem necessary, but the table below will be used to help guide the local site CNS management and reduce the work load at the CEO/COO level.

**Table 1**
**Communication Matrix**

| **Communication Topic** | CEO/COO Signature or Lead role required | CEO/COO concurrence required via telecon or email | Site Manager authorized; CEO/COO informed of communication as soon as practicable | Site Manager authorized communication as a part of routine duties |
|---|---|---|---|---|
| **Responses to Queries**: | | | | |
| • Congressional inquiries/issues | X | | | |
| • Regional/National media | | X | | |
| • Other Federal Organizations | | X | | |
| • Local Media (Program/policy) | | X | | |
| • Local Media (Operations focus) | | | X | |

| | | | | |
|---|---|---|---|---|
| • DNFSB site reports | | | X | |
| • Regional Activist Groups | | | X | |
| • NNSA questions concerning ORPS reports or site operations | | | | X |
| • Local Judges/ Mayors | | | | X |
| • Local Community Organizations | | | | X |
| • Workforce Questions | | | X | X |
| | | | | |
| **Communication Tools** | | | | |
| • Annual Plans | X | | | |
| • Site Environmental Reports | X | | | |
| • Any CNS Press release (other than EOC communications) | X | | | |
| • CNS Internet data | X | | | |
| • Merger-Transition Plans | X | | | |
| • Merger-Transition Plan Status | | | | X |
| • Town-Hall meetings | X | | | |
| • Routine External Periodicals (i.e. Pantexan – if continued) | | X | | |
| • Routine Internal Periodicals (i.e. Pantex News Letter) | | | | X |
| • Local intranet workforce communications | | | | X |
| • All-Hands Meetings | | | | X |
| • "Showing the Corporate flag" events (representing established CNS views) | | X | | |
| • Community Support Events (i.e. BSA Atomic Energy Merit Badge) | | | | X |

Proposed Protocols:

- CNS and NNSA will identify points of contact within each organization for specific areas of responsibility. Information will be managed through these points of contact to ensure coordination and consistency.
- CNS and NNSA communications managers will identify jointly applicable communication issues. The entity most involved as subject matter experts will prepare a strategy and/or work product with guidance from the entity's management and submit for review by the communication managers. Once reviewed, the strategy and/or product will be sent to the transition managers for final approval or further approvals.
- CNS will identify communication products required for their respective audiences. These will be approved by internal respective organizations. These products may be shared with the other communications manager but do not necessarily require joint approval, unless transition focused, then coordination is warranted and encouraged.
- The internal individual organizations will handle media interactions concerning their respective areas of responsibility. The communications principals will inform and coordinate with each other on subject matter that impacts the others.

- Each corporate entity is responsible for interaction with governmental affairs as required and/or appropriate. The communication managers will coordinate these interactions with respect to content and scheduling.

For any issues or concerns identified during the transition process, the subject matter experts (i.e. HR Manager, Transition Manager, etc.) will develop a specific and focused communications plan with an emphasis on managing them. The management aspect will involve identifying the factors that are important to gain the consent and/or understanding of the involved parties or to establish compliance with an applicable rule; the barriers or gaps that prevent or compromise that consent, understanding, or compliance; and the activities, actions, and tools to be employed to break down barriers and close gaps. The communications plan will include key messages and essential information to focus on, as well as anticipated questions and answers. Any press release or letter to employees will need to be coordinated with NNSA before release.

Communications Contacts:

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MikeReynolds@SOC-USA.com

**5. Key Messages for Y-12/Pantex Transition**

1. CNS is committed to an orderly and effective transition.
   - The transition will be managed so that CNS does not affect Y-12 and Pantex's ability to meet their mission deliverables.

- All work will be performed in compliance with existing Y-12 and Pantex safety, security, and environmental requirements.

2. Communication is important during the transition and CNS is committed to using all appropriate avenues to keep affected and interested parties informed. We will actively listen to employees (via face-to-face, website, and town hall meetings) and provide feedback.

3. The CNS team brings industry leaders that understand NNSA's mission.
   - Teaming partners have been strategically picked to ensure site integration, cost savings, UPF's success, protection of the mission, and the promotion of innovation.
   - CNS has a leadership team with the right blend of new perspectives, proven approaches, and NNSA knowledge. The team has site knowledge, technical leadership, and experience with high-hazard operations.
   - CNS has extensive experience and knowledge on successfully consolidating and transitioning sites and businesses (proven approach to integrating).
   - CNS will carry out the mission in a safe, secure, reliable, and cost effective manner.
   - CNS is committed to both Oak Ridge and Amarillo communities and has been involved in the communities before.

## 6. Goals and Tactics

All tactics will be NNSA approved before submittal. CNS will work hand-in-hand with NNSA through the transition on all products and get prior approval before anything is released. Communication with NNSA will be conducted on a daily basis at all levels of management.

*Goal 1: Provide timely and accurate information to the workforce to help them get a better understanding of the transition including schedule, mission, and HR related initiatives (benefits, jobs, etc.).*

Tactics:

1. Welcome message from Program Manager, Jim Haynes (initial e-mail communication to staff announcing new team, transition plans, schedule, etc.)
2. Bi-weekly message (or more often, as appropriate) from Jim Haynes on transition status, latest updates, etc.
3. External website (outside server and will be a public website) will require staffing to update on a continuous basis – Utilize website to make information, especially human resources information, available in a timely manner as transition progresses. (Simple home page consisting of one screen that has many links that take you to the rest of the site subject areas.)
   a. Home page: Mission or vision statement, newly posted information, links to NNSA, the RFP, and the parent companies websites
   b. Welcome Message from Jim Haynes, President and CEO
   c. Who we are (company information on Bechtel, Lockheed Martin, and other partners with links to corporate sites and include logos, Bechtel history in Oak Ridge and Amarillo, Lockheed Martin history in Oak Ridge)

d. About our team, Consolidated Nuclear Security, LLC (CNS Capabilities, tell our story)
e. Mission and Vision (what new team brings to the project, what we offer, imperatives, commitments, and our philosophy)
f. Our Organization and Key Leadership (bios, photos, and organizational chart)
g. Questions and Answers
h. Transition Update – Latest information about the transition, updates from senior leadership
i. News and Information about the transition (Q&As, press releases, PowerPoint Presentations, factsheets, updates from management)
j. Job Information (process, timeline, etc. .)
k. Benefits (information, forms, policies, etc.)
l. Employee Information (Other HR information, links to resources, forms and documents, link for employees to submit questions, employee Q&As, policies)
m. Link to Supplier Portal for Procurements and Small Business (Subcontract information)
n. Schedule
o. Community Commitment Information (what we are going to do in the community)
p. Contact Us
q. Ask a question – provide e-mail link to enable employees to submit questions and then post answers on the website (this will require staffing to ensure quick turnaround)

4. Town Hall Meetings will be held after working hours and off campus with employees on a voluntary basis (Kick-off and Introductions Meeting along with regular update meetings, including Jim Haynes and other key personnel. Q&A from these meetings will be posted to the website. Routine updates will be given at these meetings. Town Halls will be open to all employees and subcontractors, but not mandatory. These meetings will create opportunities for dialogue between management and employees through face-to-face interactions.)
5. Internal staff meetings with senior management and cascade information down
6. HR Meetings on position selections, transition, timeline, etc.
7. Transition News e-mails from HR (in coordination with NNSA and incumbent contractor, all employees will be informed early in transition of process that will be followed to select and hire incumbent employees, communicate HR details to employees)
8. E-mail updates from Carl Strock to UPF employees (status will change)
9. CNS Communications Manager will set up meetings with NNSA Public Affairs staff (local and headquarters), create communications points of contacts, and coordinate development of a protocol for interaction between CNS and NNSA Customer for all project communications
10. As requested by Transition Manager, set-up coordination meetings throughout transition with team

*Goal 2: Provide timely and accurate information to community stakeholders at each phase of the transition.*

Tactics:

1. Create standard PowerPoint presentation about the transition (mission, this is what this team is about, etc.)
2. Create factsheet for leave behind piece
3. In coordination with NNSA, inform local stakeholders at both Y-12 and Pantex about transition initiatives, activities, and progress (Local/Regional Leaders, Business Leaders, Politicians, Civic Leaders, Educators, Regulators, etc.).
4. Seek out venues and opportunities from local civic and business organizations to present transition information. This list includes, but is not limited to, the following organizations:
    a. Chamber of Commerce

b. Rotary Clubs
c. Economic Development Agencies (e.g. ETEC)
d. Community Relations Councils
e. Associations
f. Citizen Advisory Commissions
g. Small Business Groups
h. Supplier Groups

5. Update external website with information community leaders would need to know
6. Create Community Commitment Plan, coordinate review and approval and submit as required in 120 days (coordination and agreement will be made with key stakeholders and approved by the CNS Board of Directors)
7. Create general public outreach plan within the first 2 months of transition period post award

*Goal 3: Prepare senior management and leadership to respond effectively to inquiries from the media and general public.*

Tactics:

1. Develop key messages specifically for the transition that reflect CNS strategic communications objectives
2. Develop Questions & Answers that might result in a media interview
3. Provide media training for key personnel and others who are likely to engage in media interfaces
4. Issue news release about the new team and transition schedule
5. Create factsheet for leave behind piece
6. Determine top media contacts are and set up media briefings with Jim Haynes (e.g. Frank Munger for Oak Ridge)
7. Have Senior CNS Management meet with top media contacts and other local news media (supply leave behind briefing packets – folder, factsheets, Q&A, Presentation, etc.)
8. Submit an Op-Ed article to the local newspapers from the CEO addressing the transition (What it means to the projects, effect on citizens, employees, safety, what this means in terms of economic impact, if any, to the community. Same key messages, but unique to each community)
9. Create a process for responses to queries and designate an official contact person

*Goal 4: Inform key Congressional Members, local and State officials, and staffers on transition plans.*

Tactics:

1. CEO/COO conduct briefings with members and staff – regular interaction with Tennessee and Texas delegations (Senate, Congress, State and Local Government) and key Congressional Committee members (briefings, one-on-one discussions, e-mails, and informational advisories)
2. Ensure adequate understanding and familiarity with the transition changes so they are comfortable with the program.
3. Supply leave behind briefing packets – folder, factsheets, Q&A, PowerPoint presentations, etc.
4. Conduct in-person follow-up meetings with relevant Members, Officials, and staff to provide regular updates

5. Send follow-up e-mail updates as transition progresses so there are no surprises

## 7. Communications Transition Schedule

A communications transition schedule will be maintained in real time as an integral part of this plan by the CNS Communications team and will include the dates of significant events, the commutations tools to be employed, the intended audiences, and the lead organization. CNS and NNSA communications managers will review and update the working schedule regularly.

**Day 1 of Transition:**

- Welcome e-mail from Jim Haynes (potential video message)
- Send out press release (send to all local and trade media outlets, coordinate with NNSA and send to stakeholders)
- Jim Haynes available to press in concurrence with NNSA (prepared comment, talking points, acknowledge the formal start of new contract, reinforce approach and commitment to exceed NNSA's goals, provide clear vision of what needs to be accomplished, etc.)
- Send press release to Congressional staffs

**Week 1:**

- Launch website (communicate quick breaking news and relevant changes to transition activities, constant updates, responsive to concerns, provide a mechanism to answer employee questions and to surface issues not adequately addressed in existing communication products, etc.)
- E-mail message from Carl Strock to UPF employees
- Set up interviews with media for week 2(provide press kit – communicate success in effecting an orderly transition, outline specific performance objectives, highlight economic development progress, communication strategy for success)

**Week 2:**

- CNS Leadership Orientation Meeting – cascade information down (provide new management team with company-specific expectations, role in transition, ability to ask questions)
- HR Meetings
- Submit Op-Ed to local newspapers from Jim Haynes
- Congressional and state and local government meetings (letter from Jim Haynes to congressional delegations to strengthen relationship and establish commitment to exceed NNSA's goals)

**Week 3:**

- All-Hands/Town Hall Meeting in both Oak Ridge and Amarillo (welcome employees into new LLC, provide information on company vision and values, structure, expectations, and respond to questions, introduce leadership team, define roles and scope, communicate strategy for success, transition schedule)
- E-mail message from Jim Haynes to employees on transition update (job offers, re-org, establish confidence in CNS's ability to effect an orderly transition and commitment, etc.)
- Community Breakfast with community leaders (reinforce relationship through face-to-face meetings

## 8. Key Stakeholder Groups

Outreach efforts, for the purpose of the transition, will focus its relationship-building and communications efforts on the following stakeholder groups:

- Customer (HQ and site offices)
- Employees (craft, salaried workers, management at both sites)
- Retirees
- Elected officials (local, state, federal)
- Labor unions
- Subcontractors, local small businesses
- Business and community leaders
- Economic Development and Environmental organizations
- Local universities and education institutes
- Civic groups
- Special interest groups (as necessary)
- Oak Ridge/Amarillo communities at large (general public)
- Media (local, state, national, professional, trade)
- Government oversight
- Independent oversight (as necessary)

Key Stakeholders/Influencers and Relationship Managers:

| Category | Key Influencer | Relationship Manager |
|---|---|---|
| **Amarillo** | | |
| **Government (Local)** | • Paul Harpole, Mayor<br>• Ellen Robertson Green, Commissioner (Place 1)<br>• Brian J. Eades, Commissioner (Place 2)<br>• Lilia Escajeda, Commissioner (Place 3)<br>• Jim Simms, Commissioner (Place 4)<br>• County Judges (Carson, Potter, Randall and Armstrong counties) | |
| **Government (State)** | • Gov. Rick Perry (R)<br>• Sen. Kel Seliger (R)<br>• Rep. John Smithee (R-Amarillo)<br>• Rep. Walter “Four” Price (R-Amarillo) | |
| **Government (Federal)** | • Sen. John Cornyn (R)<br>• Sen. Kay Bailey Hutchison (R)<br>• Rep. Mac Thornberry (R-TX13) | |
| **Customer** | • Combined Y-12/Pantex Program Office managed by Steve Erhart | |
| **Union** | • Ron Ault, President, Metal Trades Council of Amarillo (AFL-CIO)<br>• Texas Labor Management Conference | |
| **Business** | • Amarillo Chamber of Commerce<br>• Amarillo Economic Development Corporation | |

| | | |
|---|---|---|
| | • Hispanic Chamber of Commerce | |
| **Civic** | TBD | |
| **Media** | • Bobby Cervantes, Amarillo Globe-News<br>• Fort Worth Star Telegram | |
| **Oak Ridge** | | |
| **Government (Local)** | • Tom Beehan, Mayor<br>• D. Jane Miller, Mayor Pro Tem<br>• Anne Garcia Garland, Council Member<br>• Charlie Hensley, Council Member<br>• Chuck Hope, Council Member<br>• David N. Mosby, Council Member<br>• Ellen D. Smith, Council Member<br>• Myron Iwanski, Anderson County Mayor | |
| **Government (State)** | • Gov. Bill Haslam (R)<br>• Sen. Randy McNally (R-Oak Ridge)<br>• Rep. John Ragan (R-Oak Ridge) | |
| **Government (Federal)** | • Sen. Lamar Alexander (R)<br>• Sen. Bob Corker (R)<br>• *Rep. Chuck Fleischmann (R-TN3)<br>• Rep. John J. (Jimmie) Duncan, Jr. (R-TN2)<br>• Rep. Scott DesJarlais (R-TN4)<br>*District includes Oak Ridge | |
| **Customer** | • Combined Y-12/Pantex Program Office managed by Steve Erhart | |
| **Union** | • Steve Jones, President, Atomic Trades and Labor Council (AFL-CIO)<br>• United Steel Workers<br>• George Jones, Building Trades | |
| **Business** | • Barry Stephenson, Chair, East TN Economic Council (ETEC)<br>• Mike Wade, President, Energy Technology and Environmental Business Association (ETEBA)<br>• Oak Ridge Chamber of Commerce/ Economic Partnership | |
| **Civic** | • Y-12 Community Relations Council | |
| **Media** | • Frank Munger, Knoxville News Sentinel<br>• Oak Ridger<br>• Oak Ridge Observer | |
| **Other** | | |
| **Media** | • Todd Jacobsen, Weapons Complex Monitor | |

## 9. Draft E-mail Note from Jim Haynes on Day 1 to Employees (Draft 2)

*Message from Jim Haynes, Y-12/Pantex Program Manager on Consolidated Nuclear Security, LLC*

Consolidated Nuclear Security, LLC (CNS) is honored to have been selected by the National Nuclear Security Administration (NNSA) to manage and operate the Y-12 and Pantex programs, two outstanding institutions vital to our nation's security. On behalf of the CNS management and the transition teams, we look forward to working with you.

Both Y-12 and Pantex have a tradition of excellence spanning many decades of national security with their outstanding workforce to the benefit of our nation. This fits well with CNS and its parent companies of Bechtel, Lockheed Martin, ATK, and SOC. These commercial industry leaders understand NNSA's mission and look forward to continued success in implementing that mission. We know that together, this team has the site knowledge, the technical leadership, and the experience with high-hazard operations that will lead Y-12 and Pantex to complete its critical mission.

The base contract for operations at Y-12 and Pantex has a four month transition period. Accordingly, we are in the process of kicking-off our start of the transition. Throughout the transition we will rely heavily on you. We know that employees make the enterprise run and we recognize the good work you have done. We know we have a skilled workforce and we look forward to working with you.

NNSA asked for a fully integrated enterprise that will enhance mission performance and reduce costs. We fully intend to meet the customer's requirements as effectively as possible, in a way that does not take away from our overall mission. We'll need your help.

While change can sometimes be challenging, my commitment to you is that CNS will work closely with you to complete a seamless transition and we will keep you informed about the transition progress and address your questions and concerns.

CNS has set up an external website site that you can access from work and home that will house all the latest transition information (link). On this website you will find insight into the new organization and the transition schedule.

I know you may have many questions now and will have more in the weeks to come. We invite you to visit our website and provide us with your feedback and questions. We will update the site with questions and answers regularly.

I am excited to get started on creating a one-team Nuclear Production Enterprise and I look forward to interacting and meeting as many of you as I can in the weeks ahead.

Jim Haynes
President and CEO
CNS, LLC.

## 10. Town Hall Meetings Schedule

**Week 3 of Transition**
During the third week of the transition Jim Haynes needs to lead Town Hall Meetings in both Oak Ridge and Amarillo. Objective is to provide face-to-face communications to employees. This meeting will be held after working hours and off campus with employees on a voluntary basis. Q&A from these meetings will be posted to the website. All-Hands will be open to all employees and subcontractors, but not mandatory. These meetings will create opportunities for dialogue between management and employees through face-to-face interactions.

The meeting will include:

- Provide information on company vision and values, structure, safety, and expectations
- Respond to questions
- Introduce leadership team
- Define roles and scope
- Communicate strategy for success
- Lay out transition schedule

Additional town hall meetings will be held during the transition. Agendas will be developed after feedback from first town hall meeting.

## 11. Draft Website Text – www.cnstransition.com

CNS will establish an external website (outside server) that will be used as the primary means of communications. It will be updated on a continuous basis. The transition team will utilize the website to make information, especially human resources information, available in a timely manner as the transition progresses. The website will have a simple home page consisting of one screen that has many links that take you to the rest of the site subject areas. For those employees with no access to web interface, hard copy material will be provided.

**Home Page**

CNS Logo
Photos from Proposal of Y-12 and Pantex
Our Vision (Figure 4 from proposal) –

- Our Vision: The model of enterprise performance excellence for the National Security Enterprise
- Our Mission: Exceed NNSA expectations in all production missions
- Our Goal: One Team – Better Together
- Our Values: Safety, Respect, Excellence, Teamwork, Integrity, Stewardship, Ethics, Service, Innovation

Newly posted information – Welcome message from Jim Haynes
Links to transition activities updates
Links to FAQs, CNS Team, Ask a Question, RFP
Links to Job Information, Employee Information, Supplier Portal
Links to NNSA and the parent companies websites (Figure 2 from proposal)
Links to News, Schedule, Community, Contact Us

**Welcome Message from CNS, President and CEO**

Consolidated Nuclear Security, LLC (CNS) is honored to have been selected by National Nuclear Security Administration (NNSA) to manage and operate the Y-12 and Pantex programs, two outstanding institutions vital to our nation's security.

Y-12 and Pantex have a tradition of excellence spanning many decades of national security with their outstanding workforce to the benefit of our nation. This fits well with CNS and its team of companies Bechtel, Lockheed Martin, ATK, and SOC. These commercial industry leaders understand NNSA's mission and look forward to continued success in implementing that mission. The CNS team has site knowledge, technical leadership, and experience with high-hazard operations that will lead Y-12 and Pantex to complete the critical mission.

The base contract for operations at Y-12 and Pantex has a four month transition period. Accordingly, we are in the process of kicking-off our efforts to start the transition.

While change can sometimes be challenging, my commitment is that CNS will complete a seamless and smooth transition. Our goal for this website is to introduce CNS to incumbent employees, community stakeholders, and the public. We will update this site continuously with transition news, schedules, and planned activities. Through this website we will also address your questions and concerns. You may send in your questions online at: (link). The website will be updated throughout the transition period with answers to questions sent in.

We look forward to starting the transition and are committed to the long-term success of Y-12 and Pantex. I look forward to meeting as many of you as I can in the weeks to come.

Jim Haynes
President and CEO

**Who we are**

Consolidated Nuclear Security, LLC (CNS) will operate Y-12 and Pantex under the same contract. CNS combines the resources of Bechtel, Lockheed Martin, ATK, and SOC. These companies have proven track records of safely and securely delivering work-class performance in the weapons and nuclear stockpile industries through working in close partnership with employees, unions, and local communities.

*Bechtel (with logo)*

- Operates through five global business units that specialize in government services, civil infrastructure; power generation, communications and transmission; mining and metals; and oil, gas, and chemicals.
- Founded in 1898
- Worked on more than 22,000 projects in 140 countries on all seven continents
- 52,700 employees performing 260 projects worth $28 billion annually in 41 countries
- Proven competencies and experience in engineering, procurement, construction, and project management that provide premier services to various U.S. government agencies in the United States and around the world.
- Government Services business line has experience managing and operating facilities charged with maintaining the safety, security and reliability of the U.S. nuclear weapons stockpile
- Experience at Y-12, Pantex, Los Alamos National Laboratory, Lawrence Livermore National Laboratory, Savannah River Site, Nevada Test Site, and Naval Reactors
- For the last 13 years, #1 overall contractor as ranked by Engineering-News Record (ENR)
- www.bechtel.com

*Lockheed Martin (with logo)*

- Headquartered in Bethesda, Md.
- A global security and aerospace company
- Employs about 120,000 people worldwide
- Principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services
- Net sales for 2011 were $46.5 billion
- www.lockheedmartin.com

*ATK (with logo)*

- World's top producer of solid rocket propulsion systems and a leading supplier of military and commercial aircraft structures
- Specializes in small and micro-satellites; satellite components and subsystems; lightweight space deployables and solar arrays; low-cost, quick-to-market launch solutions; flares and decoys; and energetic materials and related technologies
- Extensive experience supporting human and space payload missions
- An aerospace, defense, and commercial products company
- Operations in 22 states, Puerto Rico, and internationally
- www.atk.com

*SOC (with logo)*

- Trusted provider of integrated security and mission support carrying out and enabling national security missions globally in support of the U.S. Government, international organizations, and corporations
- Founded as a security contractor supporting the US Departments of Energy, Defense, and State
- Broadened its portfolio to include a wide array of critical mission support, construction, and professional staffing services
- A company of more than 5,000 highly trained and experienced personnel running some of the most sensitive and complex assignments around the world

**Our Organization and Key Leadership**
(Bios, photos, and organizational chart from Figure 12 in proposal, about our team, CNS Capabilities, tell our story)

The Consolidated Nuclear Security, LLC (CNS) team is comprised of members from Bechtel, Lockheed Martin, ATK, and SOC. CNS is dedicating a senior team of capable managers to tackle the challenges facing Y-12 and Pantex and to ensure the most successful future. Read more about senior leadership below (information from Figure 90-93 in proposal) and view the organizational chart.

- Jim Haynes, President and Chief Executive Officer
- Jim Allen, Chief Operating Officer
- Michael Jones, Transformation Manager
- Dave Beck, Program Integration
- Bill Tindal, Uranium Operations
- Dan Glenn, Assembly/Disassembly
- Pete Rosecrans, Mission Engineering
- Darrel Graddy, Mission Support
- Maureen Mendez, CFO
- Janet Hunt, Human Resources
- Rick Glass, Mission Assurance
- Carl Strock, UPF Manager
- Ken Freeman, Safeguards and Security

**Transition Update**
(Latest information about the transition, updates from senior leadership)

**Transition Objectives**
The transition period is four months, starting on the Effective Date of the contract. Consolidated Nuclear Security, LLC (CNS) will assume responsibility for operations at both Y-12 and Pantex at the conclusion of transition, after which certain activities must be completed to assure continuity of services to our country's national security program and a smooth and seamless transfer of all employees, contractual and regulatory commitments, assets, and obligations of the current contractors that operate Y-12 and Pantex to the new contractor.

The primary objectives of the transition are to:

- Establish the CNS Organization to assure the continuity of payroll and benefits for employees
- Assure the both sites can continue to carry out their missions with minimal disruption, despite the contractor transition

The transition is designed to be non-intrusive on your day-to-day work. Our collective success will be enhanced by open communications and dialogue. CNS is eager to hear from you and address any specific questions or concerns you have. You may send in your questions online at: (link).

**Employee**

(HR Information, links to resources, forms and documents, policies, Job Information, etc.)

**Job Opportunities**

CNS recognizes the importance of retaining mission critical incumbent contractor staff and preserving the institutional knowledge of ongoing projects. Accordingly, we have begun our HR transition activities including surveying the incumbent contractor workforce to determine their level of interest to work for CNS. Employment offers for CNS are scheduled to be issued no later than 90 days after start of transition. These offers will specify a date by which we need a response to assure continuity of employment.

**Benefits**

Incumbent Y-12 and Pantex employees will remain on their current benefits packages as they transition to CNS. However, new benefits packages for all employees will be implemented following transition. Additional information related to the new benefit programs will be provided once it is available.

**Compensation**

CNS compensation policies will provide a fair, equitable and competitive pay program. CNS's compensation program is designed to attract, retain, and motivate qualified employees, to provide guidance for management decisions, and to provide a basis for forecasting and controlling salary costs. Program elements include rate ranges, job classifications and titles, annual salary planning, and bonus/ incentive programs. Detailed information will be coming soon.

**Training**

CNS will provide and sponsor training, development, and educational programs which are designed to broaden employees' knowledge and increase their skills. Training includes external and internal programs. As an employee of CNS, you will have required training to complete. Training requirements are specific to all employees or prerequisites to your job. To find out what your requirements are ask your functional manager.

**Human Resources** The Human Resources staff is trained to assist all CNS employees with concerns and issues that affect their work environment such as, but not limited to performance, perceived inequities, and working conditions. To contact Human Resources call (phone number).

**FAQs**

Incumbent employees are encouraged to ask questions and provide feedback related to the transition. You may send in your question online at (link). The FAQ page will be updated throughout the transition period with answers to your questions

**Uranium Processing Facility**

An integral part of Y-12's transformation efforts and a key component of the National Nuclear Security Administration's (NNSA's) Uranium Center of Excellence, the Uranium Processing Facility (UPF) is a facility whose mission is to accomplish the storage and processing of enriched uranium in one much smaller, centralized area.

Through the new contract with Consolidated Nuclear Security, LLC (CNS), the UPF construction project will now be subcontracted to Bechtel National, Inc. This organizational change will result in cost savings and will accelerate the UPF schedule. The UPF Project Director is Carl Strock. Strock has previously served as the Commander of the Corps of Engineers, President of Bechtel Construction Operations, and the Project Manager on several commercial engineering, procurement, and construction projects.

Since the UPF project will now be subcontracted to Bechtel National, some changes will be made to employees' benefits and compensation. Detailed information on benefit packages including information on benefit programs, 401K plans, pensions, paid time off, and holidays will be coming soon.

UPF employees are encouraged to ask questions and provide feedback related to this. You may send in your question online at (link). The FAQ page will be updated throughout the transition period with answers to questions related to UPF.

Link here for a message from Project Director Carl Strock.

**Message from Carl Strock**

Consolidated Nuclear Security, LLC (CNS) is honored to have been selected by National Nuclear Security Administration (NNSA) to manage and operate the Y-12 and Pantex programs, which includes the Uranium Processing Facility (UPF).

UPF is critical to Y-12's mission and national security. It is a key component of the program. That is why management has put a special emphasis on it during transition. The UPF construction project will now be subcontracted to Bechtel National, Inc. This organizational change will result in cost savings and will accelerate the UPF schedule.

The transition will occur over a four-month period and we are in the process of kicking-off our efforts to start the transition.

While change can sometimes be challenging, my commitment is that CNS will complete a seamless and smooth transition within UPF.

We will update this site continuously with transition news, schedules, and planned activities. Through this website we will also address your questions. You may send in your questions online at: (link). The website will be updated throughout the transition period with answers to questions sent in.

We look forward to starting the transition and are committed to the success of UPF. I look forward to meeting as many of you as I can in the weeks to come.

Carl Strock
UPF Project Director

**Supplier/Subcontractor Opportunities**
(Supplier Portal for Procurements, Subcontracts, and Small Business)

CNS places a high value of providing opportunities for local suppliers and subcontractors. If your firm is interested in doing business with us, you can register your company on the Bechtel Supplier Portal (link). After completing the initial registration process, click on "Project Opportunities" to select this project.

**Contact Us and Ask a Question**
(Provide e-mail link to enable employees to submit questions and then post answers on the website, this will require staffing to ensure quick turnaround)

CNS is committed to communicating to employees and the community in a consistent and timely fashion. You may submit your question online at (link). The FAQ page will be updated throughout the transition period with answer to the questions sent in.

For media inquiries… (Take information from media page)

For other requests, please contact us at this e-mail address: (link). Please provide the following information and we will respond back to you by e-mail:

- Name
- E-mail Address
- Telephone Number
- Nature of inquiry, request, comments
- Comments

**Community**
CNS is committed to giving back to the communities surrounding both Oak Ridge, Tennessee, and Amarillo, Texas. As the CNS team develops its Community Commitment Plan, updates will be added to this site.

Through this plan CNS will continue to focus on protecting the nation, using resources wisely, and investing in the communities we call home. CNS will work hard at making lasting, substantive investments in both Tennessee and Texas.

**Other parts of the website that still need to be developed:**

**Mission and Vision** (what new team brings to the project, what we offer, imperatives, commitments, and our philosophy)

**Business Imperatives** (Continuous Process Improvement, Enterprise Excellence, Performance Based Leadership, Incentive Programs, Fellowship Program, Exchange Program)

**Acronym List**

**Employee Q&As**

Questions and answers will be updated regularly on this website. Questions are grouped by topic and answered as information is available. These answers are based on current plans and understanding of how the transition will progress. As additional information becomes available, these answers will be updated if needed.

If you have a question that has not been addressed below, please submit your question here: (e-mail link). Questions are answered as information is available, they are not necessarily answered in the order they are received. All questions are collected and routed to the Transition Team daily. Please ask one question per e-mail. Multiple questions of similar nature will be answered together and not every question will receive a separate answer.

**General Information**

- What is the official new name of the enterprise?
    - Consolidated Nuclear Security, LLC (CNS) will operate Y-12 and Pantex.
- What is the mission of the new company?
- Why the site integration?
- Which companies are part of the team?
    - The CNS team is comprised of Bechtel, Lockheed Martin, ATK, and SOC. Read more about the CNS Team here (link).
- Will CNS replace existing key management positions with CNS Managers? Will there be change in leadership?
    - CNS is dedicating a senior team of capable managers to tackle the challenges facing Y-12 and Pantex and to ensure the most successful future. Read more about senior leadership here (link).
- What does the new organizational chart look like?
    - Link to the CNS organizational chart here (link).
- When does the transition start? When will CNS officially take over?
    - The transition period extends for four months. Consolidated Nuclear Security, LLC (CNS) will assume responsibility for operations at both Y-12 and Pantex four months after the start of transition, during which certain activities must be completed to assure continuity of services to our country's national security program and a smooth and seamless transfer of employees, contractual and regulatory commitments, assets, and obligations of the current contractors that operate Y-12 and Pantex to the new contractor. Read more about the transition here (link).

**Consolidation**

- Where will headquarters be? Are there plans to relocate Y-12 and Pantex?
- Do I have to move to keep my job? Will my work be transferred to a new site?
- How will the consolidation affect the way Y-12 and Pantex does business?
- How will you reconcile the differences between the two sites?
- Will there be any moves to consolidate duplicated support and technical departments?
- Which organizations will be affected the most in the consolidation? Business and support functions?

**Employment and Pay**

- Will all employees be offered a job?
  - We are in the process of assessing the current workforce as well as the needs of the new organization. It is likely that not all positions will be required as we move forward. We will communicate the plans for selecting employees for the available positions once the organization is finalized.
- How will you be determining what jobs will be available?
  - This will be determined based on the requirements of the new organizations.
- How will you decide who has a job and who doesn't?
  - A selection process will be used to determine who will receive offers.
- Will offer letters be extended?
  - Yes, offer letters will be provided to selected individuals no later than 90 days after the start of transition.
- Will I be notified it I am not going to get a job offer from CNS?
  - Yes
- Do I need to submit an actual resume?
  - Some incumbent employees will be asked to submit resumes.
- Do I need to complete an employment application? TBD
- Why do I need to provide identification to show proof of citizenship even if I have a DOE/NNSA clearance?
  - All US Employers are required to complete and retain an I-9 form for each individual they hire for employment. Proof of citizenship is required to complete this form. This is a requirement of the Department of Homeland Defense.
- Will I have to interview for a position?
  - Some individuals will be required to interview for a position.
- Did the contract specify a deadline for delivering the offer letters to employees?
  - Yes, offer letters must be distributed no later than 90 days after the start of transition. If I receive a job offer:
  - Could it be at a different location?
    - Yes
  - Could it involve travel between locations?
    - Yes
  - What happens if I turn the job offer down?
    - You will not transition over to CNS.
  - Will it be the same job at the same grade and pay level?
    - This will depend on individual circumstances.
- When transition is complete, how many employees will CNS have?
- Is there going to be a reduction in workforce?
  - We anticipate that reductions in the workforce will occur initially, and that they could continue as we consolidate the Y12 and Pantex organizations.
- If I do not receive an offer will I be given severance pay?
  - Incumbent employees who do not receive offers from CNS will be out processed by the Incumbent Contractor.
- Will there be a change on severance packages?
  - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.

- How will union employees be impacted?
    - We are reviewing the current workforce along with the new organization to determine if there are any impacts.
- Will I be required to fill out new paperwork for federal tax withholding and other forms as if this was a new job?
    - Some new forms will be required but not all. We will provide the specific requirements once offers are accepted.
- Will my social security contributions start over when CNS takes over?
- How will the W-2 form work this year? Will this affect how I submit my taxes?
- Will I receive a new employee identification number? TBD
- Will pay and compensation systems (401K, pension, vacation, bonuses) offered at Y-12 and Pantex be the same under CNS? When will this officially transfer? TBD
- Will there be a new compensation structure and pay system now for both sites?
    - Yes
- Will the pay structure be consistent between Y-12 and Pantex?
    - Yes
- Will cost of living be a factor between the two sites?
    - No.
- Will we be paid on the same schedule?
    - As we consolidate our HR and Payroll systems across the sites, we will move to a common pay schedule.
- What are the work schedules?
    - Initially, the current Pantex and Y-12 schedules will stay in place. However, we will consider moving to a consistent schedule in the future.
- Will Y-12 keep my 4x10 schedule?
- Will Pantex keep my 9x80 schedule?
- Will we have monthly balancing? If yes, to whom does it apply?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- What is the vacation policy?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- What is the sick leave policy?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- What is the vacation banking policy?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- What holidays will be given to us? What is the holiday policy?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- Will there be an end of year Holiday shutdown? TBD

- How will schedule changes affect Union employees?
    - Any proposed schedule changes will be negotiated with the Union prior to implementation for that population.
- Will the overtime policy change?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- What will be the new schedule for merit increases? HR action schedule?
    - New CNS processes and schedules will be put in to place as we move forward. Information will be communicated as it becomes available.
- Will I keep my years of service with project?
    - Yes
- How will this affect my ability to be considered for a promotion?
    - A new CNS promotion policy will be implemented. Promotions will be implemented in accordance with the policy.
- Will I get keep my Q clearance?
    - Q Clearances are issued by the Department of Energy, and this transition will not have any impact on your clearance.

**Benefits**

- How will my benefits change? If yes, how and when?
    - We are reviewing the current benefits programs offered at both Pantex and Y-12. Incumbent employees who receive offers from CNS will transition in to CNS with their current benefits programs. However, we will move to a common benefits program as soon as possible after transition. Information concerning the benefits program as well as the timeline for implementation will be communicated as soon as it becomes available.
- Will I be able to retain the same health care provider? TBD
- How will union employees be impacted?
    - Any proposed changes to the benefits programs for represented employees will be negotiated with the Union prior to implementation.

**401K**

**Pension**

**Other Human Resource Related Questions**

- How will the relocation policy change?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- What if someone just signed an agreement?
    - Relocations that have been initiated prior to the implementation of a new policy will be completed based on the current relocation policy.
- How will credit cards be transitioned? TBD
- Will we get new e-mail addresses?
- Will there be any Employee Discount benefits? TBD

- Any scholarship programs? TBD
- Where can I find new travel policies and information?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.
- What will be the performance appraisal process now?
    - We will be implementing a new CNS Performance Management process. We are currently in the process of defining the new process, and it will be communicated once it has been finalized.
- Will existing union contracts be renegotiated under CNS?
    - Yes
- How will education reimbursements be handled?
    - We will be implementing new CNS policies and procedures. The specific provisions of each policy are not available at this point but will be communicated once they are available.

**News and Information about the transition**
(Q&As, press releases, PowerPoint Presentations, factsheets, updates from management, links to NNSA press releases)

***External Press Release M&O***

**Media Contact:**
**Jason Bohne (703) 429-6313**

**For Immediate Release**

**The team of Bechtel National, Inc., Lockheed Martin, ATK, and SOC selected to manage and operate the Y-12 and Pantex Nuclear Production Enterprise**

**Frederick, Maryland –** The National Nuclear Security Administration (NNSA) announced today that it has selected the Consolidated Nuclear Security, LLC (CNS), a team of Bechtel National, Inc. (BNI), Lockheed Martin (LM), ATK, and SOC to manage and operate the Y-12 and Pantex Nuclear Production Enterprise in the communities of Oak Ridge, Tennessee, and Amarillo, Texas.

The team will be responsible for managing and operating the Y-12 and Pantex programs—two outstanding institutions vital to our nation's security—for the next five years, with one five-year option for extension based on performance.

"Bechtel, Lockheed, ATK, and SOC have site knowledge, technical leadership, and experience with high-hazard operations that will lead Y-12 and Pantex to complete the critical mission," says Jim Haynes, CNS President and CEO. "We look forward to making a difference in management and operation of these important facilities and to continue our successful collaboration with NNSA."

The CNS team will succeed B&W Y-12 and B&W Pantex, a partnership of the Babcock & Wilcox Company and Bechtel National, Inc.

**About Bechtel:**
Bechtel is among the most respected engineering, project management, and construction companies in the world. We stand apart for our ability to get the job done right—no matter how big, how complex or how remote. Bechtel operates through five global business units that specialize in civil infrastructure; power generation, communications and transmission; mining and metals; oil, gas and chemicals; and government services.

Since its founding in 1898, Bechtel has worked on more than 22,000 projects in 140 countries on all seven continents. Today, our 53,000 employees team with customers, partners, and suppliers on diverse projects in nearly 50 countries. www.bechtel.com.

**About Lockheed Martin:**
Headquartered in Bethesda, Md., Lockheed Martin is a global security and aerospace company that employs about 120,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's net sales for 2011 were $46.5 billion.

**About ATK:**
ATK Aerospace Group, which is representing ATK on the Bechtel team, is the world's top producer of solid rocket propulsion systems and a leading supplier of military and commercial aircraft structures. It also specializes in small and micro-satellites; satellite components and subsystems; lightweight space deployables and solar arrays; low-cost, quick-to-market launch solutions; flares and decoys; and energetic materials and related technologies. The group has extensive experience supporting human and space payload missions. ATK is an aerospace, defense, and commercial products company with operations in 22 states, Puerto Rico, and internationally.

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SOC LLC is a trusted provider of integrated security and mission support carrying out and enabling national security missions globally in support of the U.S. Government, international organizations, and corporations. Founded as a security contractor supporting the US Departments of Energy, Defense, and State, SOC has broadened its portfolio to include a wide array of critical mission support, construction, and professional staffing services. We are now a company of more than 5,000 highly trained and experienced personnel running some of the most sensitive and complex assignments around the world.

###

*External Press Release M&O and UPF*

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The team will be responsible for managing and operating the Y-12 and Pantex programs—two outstanding institutions vital to our nation's security for the next five years—with one five-year option for extension based on performance. An integral part of Y-12's transformation efforts, the Uranium Processing Facility (UPF) will, when completed, store and process enriched uranium in a centralized area that enhances operational safety and security.

"Bechtel, Lockheed, ATK, and SOC have site knowledge, technical leadership, and experience with high-hazard operations that will lead Y-12 and Pantex to complete the critical mission," says Jim Haynes, CNS President and CEO. "We look forward to making a difference in management and operation of these important facilities and to continue our successful collaboration with NNSA."

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rocket propulsion systems and a leading supplier of military and commercial aircraft structures. It also specializes in small and micro-satellites; satellite components and subsystems; lightweight space deployables and solar arrays; low-cost, quick-to-market launch solutions; flares and decoys; and energetic materials and related technologies. The group has extensive experience supporting human and space payload missions. ATK is an aerospace, defense, and commercial products company with operations in 22 states, Puerto Rico, and internationally.

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###

***PowerPoint Slides***
***(Text of slides provided below)***

**Y-12/Pantex Transition (title page)**

**Purpose (page 1)**

- Provide status of Y-12/Pantex contract transition

**Contract (page 2)**

- Consolidated Nuclear Security, LLC (CNS) selected as the contractor on (date)
- Team:
    - Bechtel
    - Lockheed Martin
    - ATK
    - SOC
- Contract Terms
    - Five years, with one five-year option for extension based on performance.
- Four month transition period
    - CNS will assume management and operations of Y-12 and Pantex six months after contract award

**Scope of Work (page 3)**

- The contract includes three key mission areas
    - Improve performance in completion of missions for nuclear production operations
    - Transition/merge operations at geographically dispersed centers of excellence under a single contract
    - Reduce the cost of performing work
- What the contractor will also manage

**Transition Objectives (page 4)**

- CNS is committed to an efficient, orderly, seamless, and successful transition. To accomplish this, the transition must
    - Enable the completion of transition activities so CNS can assume full responsibility for Y-12/Pantex
    - Minimize disruption/impact to the workforce so that the transition can be achieved in compliance with all safety, security, and environmental requirements

**Org Chart (page 5)**

**Leadership Team (page 6)**

- Jim Haynes, President and Chief Executive Officer
- Jim Allen, Chief Operating Officer
- Michael Jones, Transformation Manager
- Dave Beck, Program Integration
- Bill Tindal, Uranium Operations
- Dan Glenn, Assembly/Disassembly
- Pete Rosecrans, Mission Engineering

- Darrel Graddy, Mission Support
- Maureen Mendez, CFO
- Janet Hunt, Human Resources
- Rick Glass, Mission Assurance
- Ken Freeman, Safeguards and Security

**Transition Schedule (page 7)**

**Critical Steps for a Successful Transition (page 8)**

- CNS will communicate constantly and keep employees and the community informed about the transition progress
- CNS will address questions and concerns

**Summary (page 9)**

***About the work at Pantex and Y-12 Factsheet***

**Pantex**

Pantex Missions: national security, nuclear explosive operations, nuclear material operations, high explosive operations.

Pantex Plant, located 17 miles northeast of Amarillo, Texas, in Carson County, is charged with maintaining the safety, security and reliability of the nation's nuclear weapons stockpile. Pantex's programmatic work falls within these missions.

*National Security*

- Safeguards & Security
- Non-proliferation
- Stewardship
    - Environmental
    - Infrastructure
    - Human Capital
    - Energy

*Nuclear Explosive Operations*

- Life Extension
- Surveillance
- Dismantlement

*Nuclear Material Operations*

- Storage
- Surveillance
- Reuse/Requalification

*High Explosive Operations*

- Manufacturing
- Surveillance
- Testing

**Y-12**

The Y-12 National Security Complex is one of four production facilities in the National Nuclear Security Administration's Nuclear Security Enterprise. Our unique emphasis is the processing and storage of uranium and development of technologies associated with those activities. Decades of precision machining experience make Y-12 a production facility with capabilities unequaled nationwide.

Y-12 maintains the safety, security and effectiveness of the U.S. nuclear weapons stockpile. We also reduce the global threat posed by nuclear proliferation and terrorism, and provide safe and effective nuclear propulsion systems for the U.S. Navy.

Y-12 has become the complex that the nation looks to for support in protecting America's future by applying our state-of-the-art capabilities in three core areas

- nuclear technology and materials;
- security and consequence management;
- manufacturing and technical services.

***Consolidated Nuclear Security, LLC Fact Sheet***

The Nuclear Production Enterprise made up of the National Nuclear Security Administration's (NNSA) Y-12 and Pantex projects is a critical part of the country's national security challenge of securing and supporting the nuclear weapons stockpile. Consolidated Nuclear Security, LLC (CNS) is the organization formed to devise and implement innovative solutions to meet this challenge.

The result of collaboration between Bechtel National, Inc., Lockheed Martin, ATK, and SOC, CNS draws upon the world-class engineering, construction, program integration, security, and nuclear science capabilities of the four companies in a new organization formed and dedicated to meet the needs of the National Nuclear Security Administration (NNSA).

All four contributing companies have experience working together and bring complementary experience to transform Y-12 and Pantex into an efficient enterprise.

**Proven Track Record**

Bechtel is a global firm that understands the NNSA missions from its management roles at Y-12, Pantex, Los Alamos National Laboratory, and Lawrence Livermore National Laboratory. It is the nation's top project management, engineering, and construction firm currently executing 260 projects in 41 countries around the world.

Headquartered in Bethesda, Md., Lockheed Martin is a global security and aerospace company that employs about 120,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's net sales for 2011 were $46.5 billion.

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**Transition**

The CNS team has been through several transitions, including –

- Hanford Site
- Savannah River Site
- Nevada Test Site
- Ronald Reagan Ballistic Missile Defense Test Site
- Los Alamos National Laboratory
- Lawrence Livermore National Laboratory

CNS understands the importance of working with the incumbent staff and customer to ensure a successful transition.

**Communication**

Communication is vital for a successful transition that maintains program momentum. CNS has established a communications program to keep internal and external audiences informed and aware.

A dedicated intranet site (www.cnstransition.com) is available to provide information to employees and their families. Employees are encouraged to ask questions and express their concerns.

Meetings will be scheduled to give incumbent employees the chance to meet CNS managers and learn more about the new company.

Existing external relationships are a priority for the new team and we will continue to work in close partnership with employees, unions, and local communities.

Finally, constant communication with NNSA, existing contractor, and CNS will take place throughout the transition period.

**The Bottom Line**

Consolidated Nuclear Security, LLC, will run Y-12 and Pantex as an enterprise, focused on safely delivering the mission.

# Appendix B

# Pantex/Y-12
# Facility Assessment Checklist

March 3, 2014

Consolidated Nuclear Security
Enterprise Management

## Facility Assessment Checklist Contents

**Checklist Applicability Flowchart**

**Pre-Existing Conditions Checklist**
General (All facilities)

**Checklist 1—Authorization Basis Status**
(Nuclear facilities, facilities with an ASA)

**Checklist 2—Nuclear Criticality Safety**
(Nuclear facilities)

**Checklist 3—Radiological Protection**
(All facilities except administrative offices)

**Checklist 4—Physical Conditions: Buildings**
(All buildings)

**Checklist 5—Environmental Compliance: Buildings**
(All buildings, except administrative offices)

**Checklist 5a—Environmental Compliance: Buildings**
(Administrative offices)

**Checklist 6—Physical Condition/Environmental Compliance: Landfills**
(Landfills, waste piles, scrap yards, spoils piles, contaminated units closed in place)

**Checklist 7—Physical Condition/Environmental Compliance: Basins**
(Basins, surface impoundments, ponds, pits)

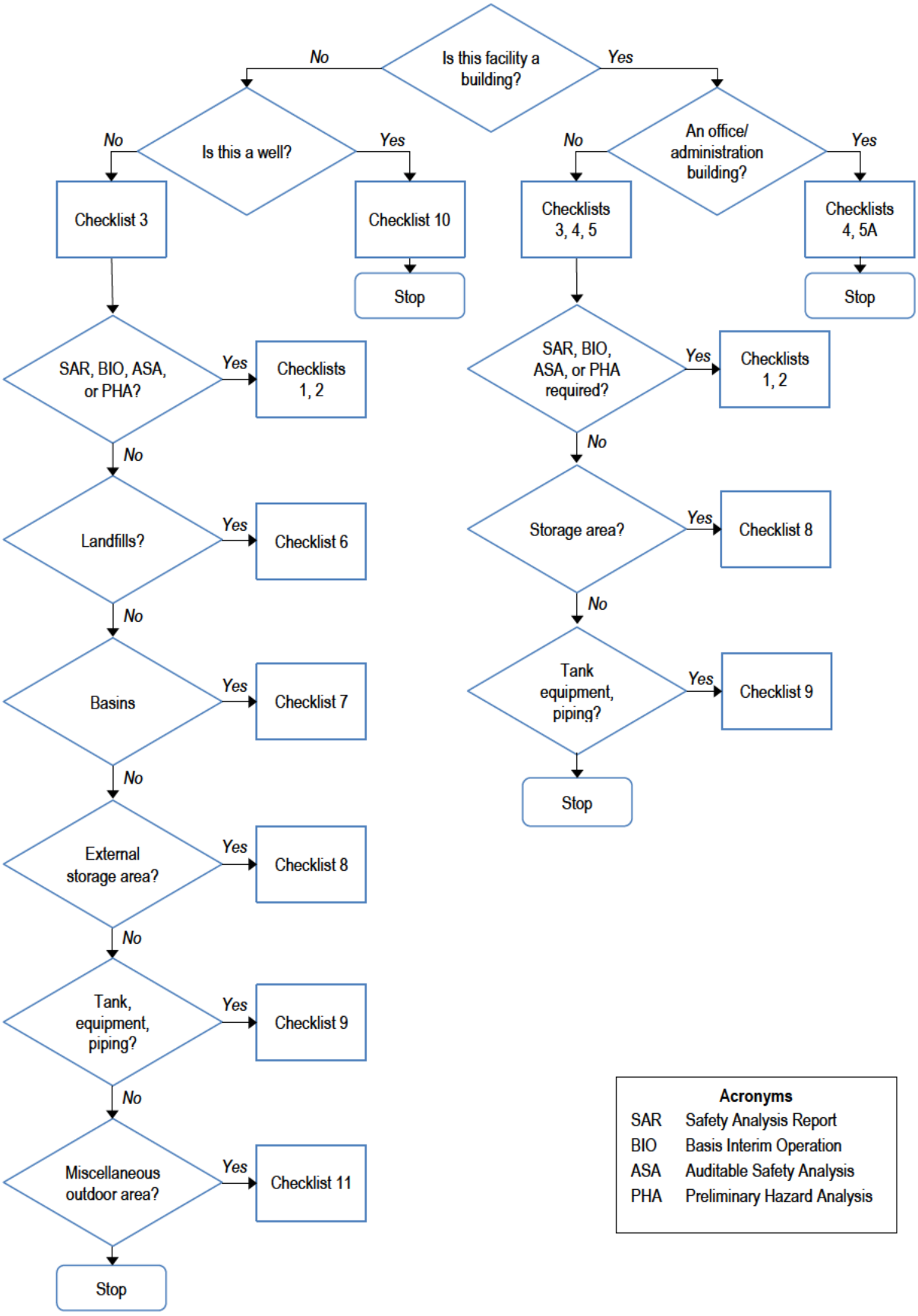
**Checklist 8—Physical Condition/Environmental Compliance: Storage Areas**
(Chemical storage areas, hazardous waste storage areas, rad materials storage areas, rad waste storage areas, cylinder storage areas, DMSAs, drum yards, decon pads)

**Checklist 9—Physical Condition/Environmental Compliance: Tanks/Equipment/Pipelines**
(Tanks, equipment, process lines, sewer lines, sanitary lines, stormwater lines, outfalls)

**Checklist 10—Physical Condition/Environmental Compliance: Wells**

**Checklist 11—Physical Condition/Environmental Compliance: Miscellaneous Sites**
(Release/spill sites, yards, grounds, surface water)

# Checklist Applicability Flowchart




| Acronyms | |
|---|---|
| SAR | Safety Analysis Report |
| BIO | Basis Interim Operation |
| ASA | Auditable Safety Analysis |
| PHA | Preliminary Hazard Analysis |

## Pre-Existing Conditions Checklist

General (All facilities)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

**Facility Status** *(circle)* (Ref CL #__): Active (in use) Inactive (Standby) D&D (Surplus)

# Current Occupants:_____Current Facility Uses (Ref CL #__):_____

_____

Prior Facility Uses *(if different* (Ref CL #__):_____

_____

Shut Down Date *(if applicable) and* Summary of Shutdown Activities (Ref CL #__):_____

_____

Identify any portion of the facility not under our control (Ref CL #__):_____

Has a PHS been performed, if so, when?_____

Is there any issue that the facility manager would like to raise?_____

_____

**Facility Category** *(circle as many as apply)* (Ref CL #__):

Nuclear CAT 2/CAT 3 Radiological Industrial RCRA TSD

Noncontaminated *(circle non-contaminated only if the facility has never processed, treated or stored any hazardous or radioactive materials, e.g., has always been used ONLY for office space)*

**Facility Type** *(circle as many as apply, including both current and past uses)* (Ref CL #__):

Buildings: Process bldg Storage bldg Administrative bldg Laboratory facility

*(Indicate which of the following are contained within or adjacent to the building)*

Process equipment Tanks Air vents or stacks Chemical storage areas Radiologically controlled areas
Radioactive material or waste storage areas Fissile material storage areas Hazardous waste treatment or storage areas
Electrical equipment Pipelines Process sewer connections Storm sewer connections

Release Sites and Storage Areas:

Landfill Waste pile Scrap yard Spoils pile Surface impoundment Pond basin
Misc. release site Chemical storage area Cylinder storage area Decontamination pad
Hazardous waste storage area Drum yard LLW storage area

Miscellaneous:

Tank Equipment Pipeline (including sewer lines, lift stations, manholes)
Well Road Parking lot Surface water Groundwater plume
Monitoring station Other:_____

Radiological and Hazardous Contaminants of Concern (Ref CL #__):_____

_____

## Checklist 1—Authorization Basis Status

(Nuclear facilities, facilities with an ASA)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

List Authorization Basis Document (s) (SAR, BIO, ASA) and date of last approval in Facility Information Source Reference List, Section 1.

Identify any significant hazards in the Facility that do not appear to have been analyzed in the AB (Ref CL #__):

Identify any materials or inventory in the Facility that appear to exceed the inventory analyzed in the AB (Ref CL #__):

Facility classification based on gross inventories or release potential? (Ref CL #__):

Does AB contain TSRs/OSRs that pertain to physical conditions (Ref CL #__)?
If so, do physical conditions appear to comply with TSRs/OSRs (Ref CL #__)?

Identify any pending changes to the AB or to TSRs or OSRs (Ref CL #__):

Identify any significant apparent changes to the Facility since last AB approval which has not been evaluated by USQD or other officially approved method (Ref CL #__):

Identify any Discovery situations since last AB approval which either called into question the validity of the AB safety analysis or were not evaluated by USQD or other officially approved method (Ref CL #__):

Identify any changes since last AB approval to procedures considered in the AB that were not evaluated by USQD or other officially approved method (Ref CL #__):

Identify any situation where the AB has not been expanded/updated, if required, to incorporate the results of evaluations involving facility USQs relating to physical changes, procedural changes or Discovery situations (Ref CL #__):

Identify any unresolved or pending Discovery USQs, Discovery USQDs, or any present situations that could require a Discovery USQD (Ref CL #__):

## Checklist 2—Nuclear Criticality Safety

(Nuclear facilities)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

Identify Fissionable/Fissile Material in Facility (Ref CL #__):_____

_____

List Nuclear Criticality Safety Approvals and date of last approval in Facility Information Source Reference List, Section 1.

Identify necessary NCSAs that are missing or outdated (Ref CL #__):_____

_____

Does the Facility have procedures to implement the NCSAs? (Ref CL #__):_____

_____

Does the Facility have a training program for the NCSAs? (Ref CL #__):_____

_____

Do the NCSAs identify fire fighting restrictions? _____ If so, have the fire fighting restrictions been identified on pre-fire and emergency preparedness plans? (Ref CL #__):_____

_____

Does the Facility have a Criticality Accident Alarm System?_____ If so, does it appear to be in good operating condition? (Ref CL #__):_____

Identify any Facility conditions that may impact criticality safety (e.g., water intrusion, flooding potential) (Ref CL #__):_____

_____

Does the Facility have Fixed Nuclear Accident Dosimeters posted? (Ref CL #__):_____

Does the Facility have a marked “12-rad boundary”? (Ref CL #__):_____

## Checklist 3—Radiological Protection

(All facilities except administrative offices)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

The Facility contains *(mark all that apply)* (Ref CL #__):_____

Radiologically controlled areas  Radioactive material areas  Radiation areas  High/very high radiation areas
Soil contamination areas  Fixed contamination areas  Contamination areas  High contamination areas
Airborne radioactivity areas  Underground radioactive material areas

Are all high/very high radiation areas kept locked? (Ref CL #__):_____

Identify any areas that appear to be posted incorrectly, or where postings are not visible or in good condition (Ref CL #__):_____

Identify any RWPs that appear inconsistent with or inadequate for Facility conditions (Ref CL #__):_____

Identify any radioactive materials or equipment that appear to be labeled, controlled or stored incorrectly (Ref CL #__):_____

Identify any areas where access control appears to be inadequate considering the radiological conditions of the Facility (Ref CL #__):_____

Identify any areas where contamination control appears to be inadequate (Ref CL #__)_____

Identify any boundary controls that appear to be set up or maintained incorrectly (Ref CL #__):_____

Identify any areas for which survey data appears to be missing or inadequate (Ref CL #__):_____

Identify any radiation-generating device that is not posted per State Rad health requirements (Ref CL #__):_____

Identify any apparent radiological monitoring equipment deficiencies (e.g., lack of required continuous monitors, monitoring equipment not maintained/calibrated, or incapable of detecting facility specific radiation hazards (Ref CL #__):_____

Identify any necessary engineering controls that appear to be missing (Ref CL #__):_____

Identify any areas of the Facility that have been determined to meet release criteria (Ref CL #__):_____

(List all documents that form the basis for that determination of the Facility Information Source Reference List in Section 5, and identify references here:_____).

## Checklist 4—Physical Conditions: Buildings

(All buildings)

| Facility Name | Site | Facility # |
|---|---|---|
| Checklist Completed By | | Date |

**OSHA Hazards**

Identify any apparent OSHA non-compliances which would be categorized as either imminent danger or serious (i.e., unguarded/exposed live electrical parts) (Ref CL #__):_____

_____

Identify significant necessary safety devices that appear to be missing (Ref CL #__):_____

_____

Identify any potentially significant health hazards from biological conditions (e.g., molds) or animal intrusion (Ref CL #__):_____

**Fire/Emergency Response Systems**

List any approved fire hazard analysis in Facility Information Source Reference List, Section 1.

Identify any apparent fire hazards in the Facility that were not analyzed in the fire hazard analysis (Ref CL #__):

_____

Identify any apparent deficiencies in the fire detection or alarm system (Ref CL #__):_____

_____

Identify any apparent deficiencies in the fire protection/suppression system (including missing or inoperative sprinklers, missing or out dated extinguishers, obstructions to system, improperly stored flammable or combustible material, missing or inoperative fire barriers) (Ref CL #__):_____

_____

Identify any apparent deficiencies in the emergency evacuation alarm system (Ref CL #__):_____

_____

Identify any signs or physical conditions or barriers that could interfere with the rapid evacuation of personnel in the event of an emergency (Ref CL #__):_____

_____

Identify any apparent deficiencies in essential systems or equipment (e.g., emergency communications system, essential electrical equipment (Ref CL #__):_____

_____

**Access Controls**

Identify any areas where access control appears to be inadequate considering the physical conditions of the Facility (Ref CL #__):_____

_____

_____

## Checklist 4—Physical Conditions: Buildings Cont.

(All buildings)

**Release Potential**

Identify apparent conditions of significant instability, deterioration, structural cracking, leak-related damage, structural settlement or structural fatigue that could pose a significant imminent hazard to health or safety, or pose a risk of releasing contaminants to the environment (Ref CL #__):

Identify any areas of the Facility that appear to be subject to flooding or significant water leaks, and identify and chemical, radioactive materials, or other contaminants in the affected area (Ref CL #__):

Identify the locations of any unsealed floor drains, whether they are located in contaminated areas or areas where chemicals or radioactive materials are used or stored, and whether the drains discharge to the process, storm or sanitary sewer system (Ref CL #__):

Can the Facility withstand the design basis wind/tornado and earthquake? (Ref CL #__):

Identify any formerly used systems that may have contained chemicals, radioactive materials or waste, which cannot be demonstrated to have been purged, isolated and sealed, and identify the materials/contaminants previously contained in such systems (Ref CL #__):

**Chemical Vulnerability**

Identify any chemicals that appear to be stored in an unsafe condition (e.g., flammable chemicals not stored in approved cabinet, incompatible materials co-located, compressed gases stored improperly, etc.) (Ref CL #__):

Identify the presence of any chemicals that could pose potential vulnerabilities by their intrinsic properties (e.g., peroxides, reactives/shock-sensitive materials, flammable materials) (Ref CL #__):

Identify the presence of any chemicals that have the potential to change over time due to the evaporation or introduction of water (Ref CL #__):

## Checklist 5—Environmental Compliance: Buildings

(All buildings, except administrative offices)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

List all environmental permits, authorizations and exemptions pertaining to the facility in the Facility Information Source Reference List, Section 2.

Identify any open NOVs or environmental compliance corrective actions relating to the Facility (Ref CL #__):_____

_____

**Hazardous Materials/Substances/Wastes**

Identify any locations where the following materials are found at the Facility, identify whether the material is in use or is a waste, the condition of the material and its container, whether it is a structural building component, and note all relevant storage/management conditions (Ref CL #__):

Acids _____
Ammonia _____
Damaged Friable Asbestos _____
CFCs _____
Chlorine _____
Cleaning Supplies/PPE _____
Compressed Gases _____
Lead _____
Mercury _____
Oils/petroleum product _____
Paints _____
PCBs _____
Pesticides _____
Solvents _____
Other _____

Identify the waste streams produced by any activities currently or recently occurring in the Facility (Ref CL #__):___

_____
_____
_____

Identify any hazardous waste that are not stored, labeled or managed in accordance with RCRA requirements (e.g., compatible containers in good condition, kept closed, labeled, double containers for liquid waste, etc.) (Ref CL #__):

_____
_____

Identify the storage capacity for oil and other petroleum products at the facility (including drum storage):
Above ground over 1320 gallons? (Ref CL #__):_____
Underground over 42000 gallons? (Ref CL #__):_____

Identify locations of recent and historical spills, leaks or releases of potentially hazardous substances/wastes, (including radioactive materials); identify any evidence of remaining spilled material, and note all relevant conditions (Ref CL #__):_____

_____
_____

## Checklist 5—Environmental Compliance: Buildings Cont.

(All buildings, except administrative offices)

**Air Emission Sources**

Identify the location, emissions and permit status of any of the following emission sources located at the Facility (Ref CL #__):

Stacks (identify whether powered ventilation, open or sealed):_____

_____

Vents (identify whether powered ventilation, open or sealed) :_____

_____

Tanks:
Internal Combustion Engines:_____
Refrigerants (CFCs):_____
Active Painting Operation:_____
Active Welding Operation:_____
Active machining/Sawing/Grinding Operation:_____
Laboratory Hoods:_____
Ovens:
Fugitive Emission Sources:_____
Other Potential Sources:_____

Identify any emission sources that do not appear to be permitted (if source is believed to be exempt, obtain documentation of exemption (Ref CL #__):_____

_____

Identify any emission sources, emission control equipment or monitoring equipment that does not appear to be adequate of in compliance with permit requirements (Ref CL #__):_____

_____

_____

Identify any HAPs that are processed at the Facility (including lead, asbestos, radionuclides, inorganic arsenic, beryllium, mercury, benzene, vinyl chloride (Ref CL #__):_____

_____

Identify any sources that are subject to continuous monitoring requirements but may not have continuous monitors installed or in operation as required (Ref CL #__):_____

_____

Identify any sources at the Facility that are not under our control (Ref CL #__):_____

_____

Identify any emissions that may be commingled with emissions from any other facility or from a portion of this facility not under our control (Ref CL #__):_____

_____

Identify any locations of apparent friable asbestos that is not marked and controlled to prevent airborne exposures (Ref CL #__):_____

## Checklist 5—Environmental Compliance: Buildings Cont.

(All buildings, except administrative offices)

**Liquid Effluents**

Identify the nature of each source of liquid discharges from the facility, indicate whether each discharge is to surface waters, septic systems, holding ponds, storm drains, or a treatment system, the discharge point (outfall) for each discharge, and the permit status for each discharge (Ref CL #__):

Sanitary:_____
Process:_____
Stormwater:_____
Other:_____

Identify any liquid discharges that do not appear to be permitted (Ref CL #__):_____
_____

Identify any discharges that do not appear to be monitored in accordance with applicable requirements (Ref CL #__):_____

Identify any sumps or pits in the Facility, determine their contents, source connections, and discharge points (Ref CL #__):_____

Identify any discharge sources at the Facility that are not under our control (Ref CL #__):_____
_____

Identify any discharges that may be commingled with discharges from any other facility, or from a portion of this facility not under our control, prior to reaching the outfall (Ref CL #__):_____
_____
_____

**TSCA (PCBs)**

Identify the location of any of the following equipment, whether the equipment is in use, in storage, or scheduled for disposal, and determine whether the potential PCB concentration of any contents is known, and if so, what it is (less than 50 ppm, 50-500 ppm, over 500 ppm):

Oil-filled transformers:_____
Oil-filled capacitors:_____
Oil-filled heat transfer systems:_____
Hydraulic systems:_____
Electromagnets, switches, voltage regulators, and rectifiers:_____
Oil-filled circuit breakers, closers, and cable:_____

Identify and stored PCB articles that are not being managed in accordance with TSCA storage requirements (Ref CL #__):_____

List any of the identified PCB articles or PCB contaminated materials that are not listed in and/or managed in accordance with the PCB FFCA (Ref CL #__):_____
_____

## Checklist 5a—Environmental Compliance: Buildings

(Administrative offices)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

Have any chemicals that have ever been stored or used in the Facility? (Ref CL #__):_____
If so, review Checklist 5, Hazardous Materials/Substances/Wastes Sections.

Have any radioactive materials or substances ever been used or stored in the Facility? (Ref CL #__):_____
If so, review Checklist 3.

Are there any tanks or equipment (other than computers, copiers, and other office machines) at the Facility? (Ref CL #__):_____If so, review Checklist 9.

Are there any potential air emission sources (such as ovens, laboratories, tanks, painting or welding operations, solvent sinks, or other process equipment) at the Facility? (Ref CL #__):_____
If so, review Checklist 5, Air Emission Sources Section.

Are there any liquid discharges from the facility other than from restrooms? (Ref CL #__):_____
If so, review Checklist 5, Liquid Effluents Section.

Are there any oil-filled transformers, capacitors, heat transfer systems, hydraulic systems, electromagnets, switches, voltage regulators, rectifiers, circuit breakers, closers, or cable or other oil-filled equipment at the Facility? (Ref CL #__):_____If so, review Checklist 5, TSCA Section.

Is there any evidence of spills or releases at the Facility? (Ref CL #__):_____
If so, review Checklist 11.

## Checklist 6—Physical Condition/Environmental Compliance: Landfills

(Landfills, waste piles, scrap yards, spoils piles, contaminated units closed in place)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

**General**

Identify any apparent OSHA non-compliances relating to the facility which would be categorized as either imminent danger or serious (i.e., unguarded/exposed live electrical parts)? (Ref CL #__):

Identify significant necessary safety devices that appear to be missing (Ref CL #__):

Identify method of access control and note any areas where access control to the Facility appears to be inadequate considering the conditions of the Facility and the material present there (Ref CL #__):

Identify any portions of the Facility that are not under our control (Ref CL #__):

Identify apparent conditions of significant instability, erosion, deterioration, structural cracking, leak-related damage, structural settlement or structural fatigue of any cap or containment system that could pose a significant imminent hazard to health or safety, or pose a risk of releasing contaminants to the environment (Ref CL #__):

Identify any areas of the Facility that appear to be subject to flooding or significant surface water or groundwater water intrusion, and identify and chemicals, radioactive materials, or other contaminants in the affected area (Ref CL #__):

Identify the locations of any open drains, whether they are located in contaminated areas or areas where chemicals or radioactive materials are present, and whether the drains discharge to the process, storm or sanitary sewer system (Ref CL #__):

Identify how run-on and run-off is controlled, and how stormwater is managed (Ref CL #__):

Identify any apparent potential for material to migrate or be released from the Facility via air, surface, surface water, groundwater, plan uptake or biological intrusion pathways (Ref CL #__):

Identify the location and type of any surface contamination present at the Facility, or the depth of cover over contamination if there is no surface contamination (Ref CL #__):

Identify any other apparent potential for workers, the public or the environment to be exposed to hazardous or radioactive materials present at the Facility (Ref CL #__):

## Checklist 6—Physical Condition/Environmental Compliance: Landfills Cont.

(Landfills, waste piles, scrap yards, spoils piles, contaminated units closed in place)

Identify the presence of any chemicals that could pose potential vulnerabilities by their intrinsic properties (e.g., peroxides, reactives/shock-sensitive materials, flammable materials (Ref CL #__):_____

Identify the presence of any chemicals that have the potential to change over time due to the evaporation or introduction of water (Ref CL #__):_____

Identify for each discrete unit the following information:

- Status: in use; inactive temporary cap; closed in place; clean closed.
- Current material being disposed
- Past material stored/disposed
- Disposal method (bulk, drums/bags/containers, open burning)
- Apparent condition (good, fair, bad, leaking, structurally unsound)
- Secondary containment/leachate collection system/gas vent system (yes/no, condition, and contents)
- Monitoring system or inspection schedule (note current on-site activities)
- Permit status (RCRA? Listed in FFA? Indicate any noteworthy terms of the permit)
- Security Status (Classified/unclassified)

For any containers, tanks, equipment, systems or lines that are reported to have been isolated, drained and cleaned, list reports that document those actions on Facility Information Source Reference List, Section 5, and identify references for each such unit.

Identify sources of any incoming pipes and destinations of outgoing pipes (Ref CL #__):_____

Identify any known or suspected releases of any materials at the Facility (recent and historical); identify any evidence of remaining spilled material, and note all relevant related conditions (look for distressed vegetation, puddles, stains, cracks or depression in cap, deep rooted vegetation, burrowing animals, settlement/subsidence, etc.) (Ref CL #__):_____

If the facility is or has been used for decontamination operations, identify the method for control, management and disposal of decon materials and solutions (Ref CL #__):_____

Identify any material which consists of, or is contaminated by hazardous wastes, generate or disposed after the effective date of RCRA, that is not being managed in accordance with RCRA: (Ref CL #__):_____

Identify and material which contains or is contaminated by PCBs, that is not being managed in accordance with TSCA (Ref CL #__):_____

## Checklist 7—Physical Condition/Environmental Compliance: Basins

(Basins, surface impoundments, ponds, pits)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

**General**

Identify any apparent OSHA non-compliances relating to the Facility which would be categorized as either imminent danger or serious (i.e., unguarded/exposed live electrical parts) (Ref CL #__):_____

_____

_____

Identify significant necessary safety devices that appear to be missing (Ref CL #__):_____

_____

_____

Identify method of access control and note any areas where access control to the Facility appears to be inadequate considering the conditions of the Facility and the material contained there (Ref CL #__):_____

_____

_____

Identify any portions of the Facility that are not under our control (Ref CL #__):_____

_____

_____

Identify apparent conditions of significant instability, deterioration, structural cracking, leak-related damage, structural settlement or structural fatigue of the Facility or any related containment or storage system that could pose a significant imminent hazard to health or safety, or pose a risk of releasing contaminants to the environment (Ref CL #__):_____

_____

Identify any areas of the Facility that appear to be subject to flooding or significant surface water or groundwater water intrusion, and identify any chemicals, radioactive materials, or other contaminants in the affected area (Ref CL #__):_____

_____

Identify the locations of any open drains, whether they are located in contaminated areas or areas where chemicals or radioactive materials are present, and whether the drains discharge to the process, storm or sanitary sewer system (Ref CL #__):_____

_____

If the facility is not protected from rainwater intrusion, identify how run-on and run-off is controlled, and how stormwater is managed (Ref CL #__):_____

_____

Identify any apparent potential for material to migrate or be released from the Facility (Ref CL #__):_____

_____

Identify any apparent potential for workers, the public or the environment to be exposed to hazardous or radioactive materials present at the facility (Ref CL #__):_____

## Checklist 7—Physical Condition/Environmental Compliance: Basins Cont.

(Basins, surface impoundments, ponds, pits)

Identify the presence of any chemicals that could pose potential vulnerabilities by their intrinsic properties (e.g., peroxides, reactives/shock-sensitive materials, flammable materials (Ref CL #__):_____

Identify the presence of any chemicals that have the potential to change over time due to the evaporation or introduction of water (Ref CL #__):_____

Identify for each unit the following information:

- Status: in use; inactive but not necessarily empty; closed in place; clean closed
- Current material stored/used
- Past material stored/used
- Apparent condition (good, fair, bad, leaking, structurally unsound)
- Secondary containment (yes/no, condition, any contents)
- Monitoring system or inspection schedule
- Permit status (RCRA permit, air permit, discharge permit, PBR)

For any containers, tanks, equipment, systems or lines that are reported to have been isolated, drained and cleaned, list reports that document those actions and identify references for each such unit.

Identify sources of any incoming pipes, and destinations of outgoing pipes (Ref CL #__):_____

Identify any known or suspected releases of any materials at the Facility (recent and historical); identify and evidence of remaining spilled material, and note all relevant related conditions (look for distressed vegetation, puddles, stains, etc.) (Ref CL #__):_____

If the facility is or has been used for decontamination operations, identify the method for control, management and disposal of decon materials and solutions (Ref CL #__):_____

Identify any material which consists of, or is contaminated by hazardous wastes, that is not being managed in accordance with RCRA: (Ref CL #__):_____

Identify any materials which contains or is contaminated by PCBs, that is not being managed in accordance with TSCA (Ref CL #__):_____

## Checklist 8—Physical Condition/Environmental Compliance: Storage Areas

(Chemical storage areas, hazardous waste storage areas, rad materials storage areas, rad waste storage areas, cylinder storage areas, DMSAs, drum yards, decon pads)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

**General**

Identify any apparent OSHA non-compliances relating to the storage area which would be categorized as either imminent danger or serious (i.e., unguarded/exposed live electrical parts) (Ref CL #__):_____

Identify significant necessary safety devices that appear to be missing (Ref CL #__):_____

Identify method of access control and note any areas where access control to the storage area appears to be inadequate considering the conditions of the Facility and the material stored there (Ref CL #__):_____

Identify any portions of the storage area that are not completely under our control (Ref CL #__):_____

Identify apparent conditions of significant instability, deterioration, structural cracking, leak-related damage, structural settlement of structural fatigue of any containers or containment or storage system that could pose a significant imminent hazard to health or safety, or pose a risk of releasing contaminants to the environment (Ref CL #__):_____

Identify any areas of the Facility that appear to be subject to flooding or significant surface water or groundwater water intrusion, and identify any chemicals, radioactive materials, or other contaminants in the affected area (Ref CL #__):_____

Identify the locations of any open drains, whether they are located in contaminated areas or areas where chemicals or radioactive materials are used or stored, and whether the drains discharge to the process, storm or sanitary sewer system (Ref CL #__):_____

If the facility is not protected from rainwater intrusion, identify how run-on and run-off is controlled, and how stormwater is managed (Ref CL #__):_____

Identify any apparent potential for material to migrate or be released from the facility (Ref CL #__):_____

Identify any apparent potential for workers, the public or the environment to be exposed to materials stored at the facility (Ref CL #__):_____

Identify the presence of any chemicals that could pose potential vulnerabilities by their intrinsic properties (e.g., peroxides, reactives/shock-sensitive materials, flammable materials) (Ref CL #__):_____

## Checklist 8—Physical Condition/Environmental Compliance: Storage Areas Cont.

(Chemical storage areas, hazardous waste storage areas, rad materials storage areas, rad waste storage areas, cylinder storage areas, DMSAs, drum yards, decon pads)

Identify the presence of any chemicals that have the potential to change over time due to the evaporation or introduction of water (Ref CL #__):

Identify for each storage area the following information:

- Status: in use; inactive but not necessarily empty; all material removed, area clean closed
- Current material stored/used
- Past material stored/used
- Storage method (drums/bags/containers/uncontainerized)
- Apparent condition (good, fair, bad, leaking, structurally unsound)
- Secondary containment (yes/no, condition, any contents)
- Monitoring system or inspection schedule
- Permit status (RCRA permit, air permit, discharge permit, PBR)

For any containers, tanks, equipment, systems or lines that are reported to have been isolated, drained and cleaned, list reports that document those actions on Facility Information Source Reference List, Section 5, and identify references for each such unit.

Identify sources of any incoming pipes, and destinations of outgoing pipes (Ref CL #__):

Identify any known or suspected releases of any materials at the storage area (recent and historical); identify and evidence of remaining spilled material, and note all relevant related conditions (look for distressed vegetation, puddles, stains, etc.) (Ref CL #__):

If the facility is or has been used for decontamination operations, identify the method for controls, management and disposal of decon materials and solutions (Ref CL #__):

Identify any material which consists of, or is contaminated by hazardous wastes, that is not being managed in accordance with RCRA: (Ref CL #__):

Identify any material which contains or is contaminated by PCBs, that is not being managed in accordance with TSCA (Ref CL #__):

## Checklist 9—Physical Condition/Environmental Compliance: Tanks/Equipment/Pipelines

(Tanks, equipment, process lines, sewer lines, sanitary lines, stormwater lines, outfalls)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

**General**

Identify any apparent OSHA non-compliances relating to the tanks, equipment or lines which would be categorized as either imminent danger or serious (i.e., unguarded/exposed live electrical parts) (Ref CL #__):_____

Identify significant necessary safety devices that appear to be missing from the tanks, equipment or lines (Ref CL #__):_____

Identify any areas where access control to the tanks, equipment or lines appears to be inadequate considering the conditions of the Facility (Ref CL #__):_____

Identify any areas of the tanks, equipment or lines that are not under our control (i.e., pipelines that run under/through areas controlled by other parties (Ref CL #__):_____

Identify apparent conditions of significant instability, deterioration, structural cracking, leak-related damage, structural settlement or structural fatigue that could pose a significant imminent hazard to health or safety, or pose a risk of releasing contaminants to the environment (Ref CL #__):_____

Identify any areas of the Facility that appear to be subject to flooding or significant water intrusion, and identify any chemicals, radioactive materials, or other contaminants in the affected area (Ref CL #__):_____

Identify the locations of any open drains, whether they are located in contaminated areas or areas where chemicals or radioactive materials are used or stored, and whether the drains discharge to the process, storm or sanitary sewer system (Ref CL #__):_____

## Checklist 9—Physical Condition/Environmental Compliance: Tanks/Equipment/Pipelines Cont.

(Tanks, equipment, process lines, sewer lines, sanitary lines, stormwater lines, outfalls)

Identify the presence of any chemicals that could pose potential vulnerabilities by their intrinsic properties (e.g., peroxides, reactives/shock-sensitive materials, flammable materials) (Ref CL #__):_____

Identify the presence of any chemicals that have the potential to change over time due to the evaporation or introduction of water (Ref CL #__):_____

For any tanks, equipment or lines that are reported to have been isolated, drained and cleaned, list reports that document those actions of Facility Information Source Reference List, Section 5, and identify references for each such facility.

For all tanks, equipment or lines that are not documented to be (or visibly) disconnected from all piping connections, identify sources of incoming pipes, and destinations of outgoing pipes (Ref CL #__):_____

Identify any known or suspected releases from each tank, equipment or pipeline (recent and historical); identify any evidence or remaining spilled material, and note all relevant related conditions (Ref CL #__):_____

### Tanks

Identify for each tank the following information:

- Size
- Status: in use, inactive but not necessarily empty; isolated, drained and cleaned
- Current contents/uses
- Past contents/uses
- Apparent condition (good, fair, bad, leaking, structurally unsound)
- Above ground/underground
- Secondary containment (yes/no, condition, any contents)
- Monitoring system or inspection schedule
- Permit status (RCRA permit, air permit, discharge permit, PBR)

## Checklist 9—Physical Condition/Environmental Compliance: Tanks/Equipment/Pipelines Cont.

(Tanks, equipment, process lines, sewer lines, sanitary lines, stormwater lines, outfalls)

### Equipment

Identify for each major piece of equipment the following information:

- Status: in use, inactive but not deconned, drained and cleaned
- Current uses/contents of any reservoirs
- Past uses/contents of any reservoirs
- Apparent condition (good, fair, bad, leaking, structurally unsound)

For any out of service equipment which contains or is contaminated by hazardous materials/substances/wastes, identify whether it is managed in accordance with RCRA: (Ref CL #__):

For any out of service equipment which contains or is contaminated by PCBs, identify whether it is managed in accordance with TSCA (Ref CL #__):

### Pipelines and Outfalls

Identify for each pipeline or outfall the following information:

- Status: in use, inactive but not isolated or cleaned out; isolate, drained and cleaned
- Current contents/uses
- Past contents/uses
- Apparent condition (good, fair, bad, leaking, structurally unsound)
- Above ground/underground
- Secondary containment (yes/no, condition, any contents)
- Monitoring system or inspection schedule
- Permit status (RCRA permit, NPDES discharge permit, PBR)
- Party who has control of influents; party who has control of surface area above pipeline

## Checklist 10—Physical Conditions/Environmental Compliance: Wells

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

Can the well be located/is the location clearly marked? (Ref CL #__):_____

Is there a locking cap on the well, and do we have the keys? (Ref CL #__):_____

Do we have access control to the well by means other than a locking cap? (Ref CL #__):_____

Has the well been constructed and maintained in accordance with state and federal standards? (Ref CL #__):_____

What is the well used for? (Ref CL #__):_____

Are there any waste materials in the vicinity of the well (e.g. containers of drill cuttings, purgewater, sampling material? (Ref CL #__):_____

If so, has the waste been characterized, and is it being managed in accordance with applicable requirements? (Ref CL #__):_____

Is or has anything been injected into the well (e.g. as part of a tech demo or treatability test)? (Ref CL #__):_____

If so, what document authorized the injection, and who approved it (e.g. treatability test plan signed by EPA) (Ref CL #__):_____

Identify any known or suspected releases of any materials at the well site (recent and historical); identify any evidence of remaining spilled material, and note all relevant related conditions (look for distressed vegetation, puddles, stains, etc.) (Ref CL #__):_____

## Checklist 11—Physical Conditions/Environmental Compliance: Miscellaneous Sites

(Release/spill sites, yards, grounds, surface water)

| **Facility Name** | **Site** | **Facility #** |
|---|---|---|
| **Checklist Completed By** | | **Date** |

**General**

Can the physical location of the Facility be precisely defined and found?

Identify and apparent OSHA non-compliances relating to the facility which would be categorized as either imminent danger or serious (i.e., unguarded/exposed live electrical parts) (Ref CL #__):

Identify significant necessary safety devices that appear to be missing (Ref CL #__):

Identify method of access control and note any areas where access control to the Facility appears to be inadequate considering the conditions of the Facility and the material present there (Ref CL #__):

Identify any portions of the Facility that are not under our control (Ref CL #__):

Identify apparent conditions of significant instability, erosion, deterioration, structural cracking, leak-related damage, structural settlement or structural fatigue of any cap or containment system that could pose a significant imminent hazard to health or safety, or pose a risk of releasing contaminants to the environment (Ref CL #__):

Identify any areas of the Facility that appear to be subject to flooding or significant surface water or groundwater water intrusion , and identify any chemicals, radioactive materials, or other contaminants in the affected area (Ref CL #__):

Identify the locations of any open drains, whether they are located in contaminated areas or areas where chemicals or radioactive materials are present, and whether the drains discharge to the process, storm or sanitary sewers (Ref CL #__):

Identify how run-on and run-off is controlled, and how stormwater is managed (Ref CL #__):

Identify any apparent potential for material to migrate or be released from the Facility via air, surface, surface water, groundwater, plant uptake or biological intrusion pathways (Ref CL #__):

## Checklist 11—Physical Conditions/Environmental Compliance: Miscellaneous Sites Cont.

(Release/spill sites, yards, grounds, surface water)

Identify the location and type of any surface contamination present at the Facility, or the depth of cover over contamination if there is only sub-surface contamination (Ref CL #__):_____

_____

Identify any other apparent potential for workers, the public or the environment to be exposed to hazardous or radioactive materials present at the Facility (Ref CL #__):_____

_____

Identify the presence of any chemicals that could pose potential vulnerabilities by their intrinsic properties (e.g., peroxides, reactives/shock-sensitive materials, flammable materials) (Ref CL #__):_____

_____

Identify the presence of any chemicals that have the potential to change over time due to the evaporation or introduction of water (Ref CL #__):_____

_____

Identify for each contaminated site the following information:

- Status in use; inactive; temporary cap; closed in place; clean closed
- Current material being disposed
- Past material stored/disposed
- Apparent condition (good, fair, bad, leaking, structurally unsound)
- Secondary containment/leachate collections system/gas vent system (yes/no, condition, any contents)
- Monitoring system or inspection schedule (note current on-site activities)
- Permit status (RCRA? Listed FFA? Indicate any noteworthy terms of the permit)

_____

_____

_____

_____

_____

For any containers, tanks, equipment, system or lines that are reported to have been isolated, drained and cleaned, list reports that document those actions on Facility Information Source Reference List, Section 5, and identify references for each unit.

Identify sources of any incoming pipes and destinations of outgoing pipes (Ref CL #__):_____

Identify any known or suspected releases of any materials at the Facility (recent and historical); identify any evidence of remaining spilled material, and note all relevant related conditions (look for distressed vegetation, puddles, stains, cracks or depressions in cap, deep rooted vegetation, burrowing animals, settlements/subsidence, etc.) (Ref CL #__):_____

_____

If the facility is or has been sued for decontamination operations, identify the method for controls, management and disposal of decon materials and solutions (Ref CL #__):_____

Identify any material which consists of, or is contaminated by hazardous wastes, generated or disposed of after the effective date of RCRA, that is not being managed in accordance with RCRA (Ref CL #__):_____

_____

Identify any material which contains or is contaminated by PCBs, that is not being managed in accordance with TSCA (Ref CL #__):_____

_____

# Appendix C

# Pantex/Y-12
# Transition Facilities Information

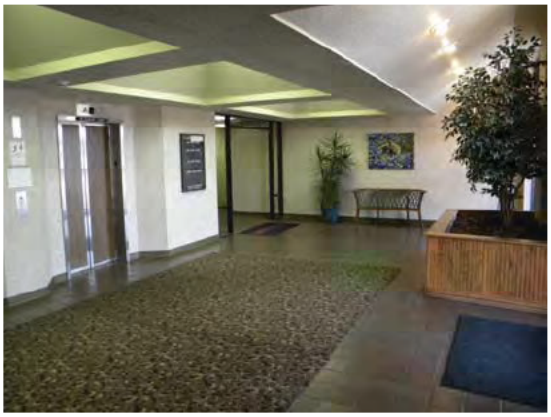
March 3, 2014

Consolidated Nuclear Security

# GAUT WHITTENBURG
Commercial Real Estate

# FOR LEASE
**720 S. Tyler, Amarillo, Texas**

## Full Service Office Space—Commerce Building



**BUILDING ENTRY**

**3rd Floor Lobby**

### SPACE AVAILABLE

| | | |
|---|---|---|
| **Basement:** | Suite B100: 568 rsf | $425 / mo. |
| | Suite B102: 534 rsf | $400 / mo. |
| | Suite B106: 739 rsf | $550 / mo. |
| | Suite B122: 244 rsf | $245 / mo. |
| | Suite B128: 810 rsf | $675 / mo. |
| | Suite B130: 1,355 rsf | $1,130 / mo. |
| | Suite B132: 683 rsf | $625 / mo. |
| **First Floor** | Suite 108: 1,413 rsf | $1,175 / mo. |
| | Suite 110: 673 rsf | $675 / mo. |
| | Suite 118: 6,776 rsf | $5,100 / mo. |
| **Second Floor** | Suite 202: 2,107 rsf | $1,580 / mo. |
| | Suite 206: 505 rsf | $505 / mo. |
| | Suite 206B: 513 rsf | $515 / mo. |
| | Suite 208: 598 rsf | $600 / mo. |
| | Suite 210: 1,103 rsf | $1,000 / mo. |
| | Suite 212A: 338 rsf | $340 / mo. |
| | Suite 212D: 600 rsf | $600 / mo. |
| | Suite 217: 734 rsf | $735 / mo. |
| | Suite 230: 1,051 rsf | $875 / mo. |

### PROPERTY HIGHLIGHTS

Full service office space available

Common media/conference room free to tenants

Great Parking.

Floor Plans and Aerial attached.


**GAUT WHITTENBURG**
Commercial Real Estate

**Ben Whittenburg**

*4211 I-40 West, Suite 204 • Amarillo, Texas 79106*

**Phone: 806-373-3111 • Fax: 806-373-9301**
**E-mail: ben@gwamarillo.com**
**Website: www.gwamarillo.com**



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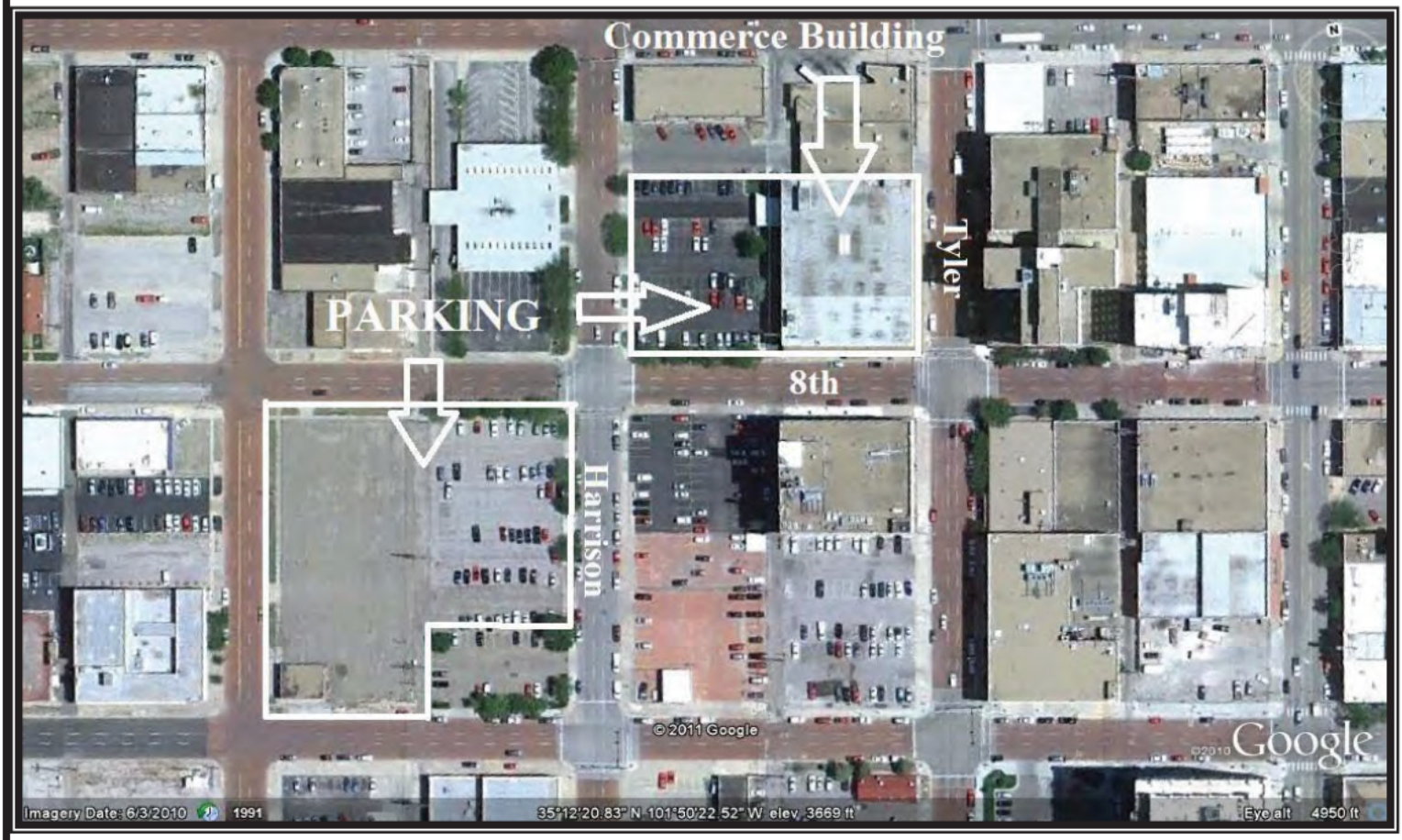
# GAUT WHITTENBURG
Commercial Real Estate

# FOR SALE
720 S. Tyler, Amarillo, Texas

## Full Service Office Space—Commerce Building





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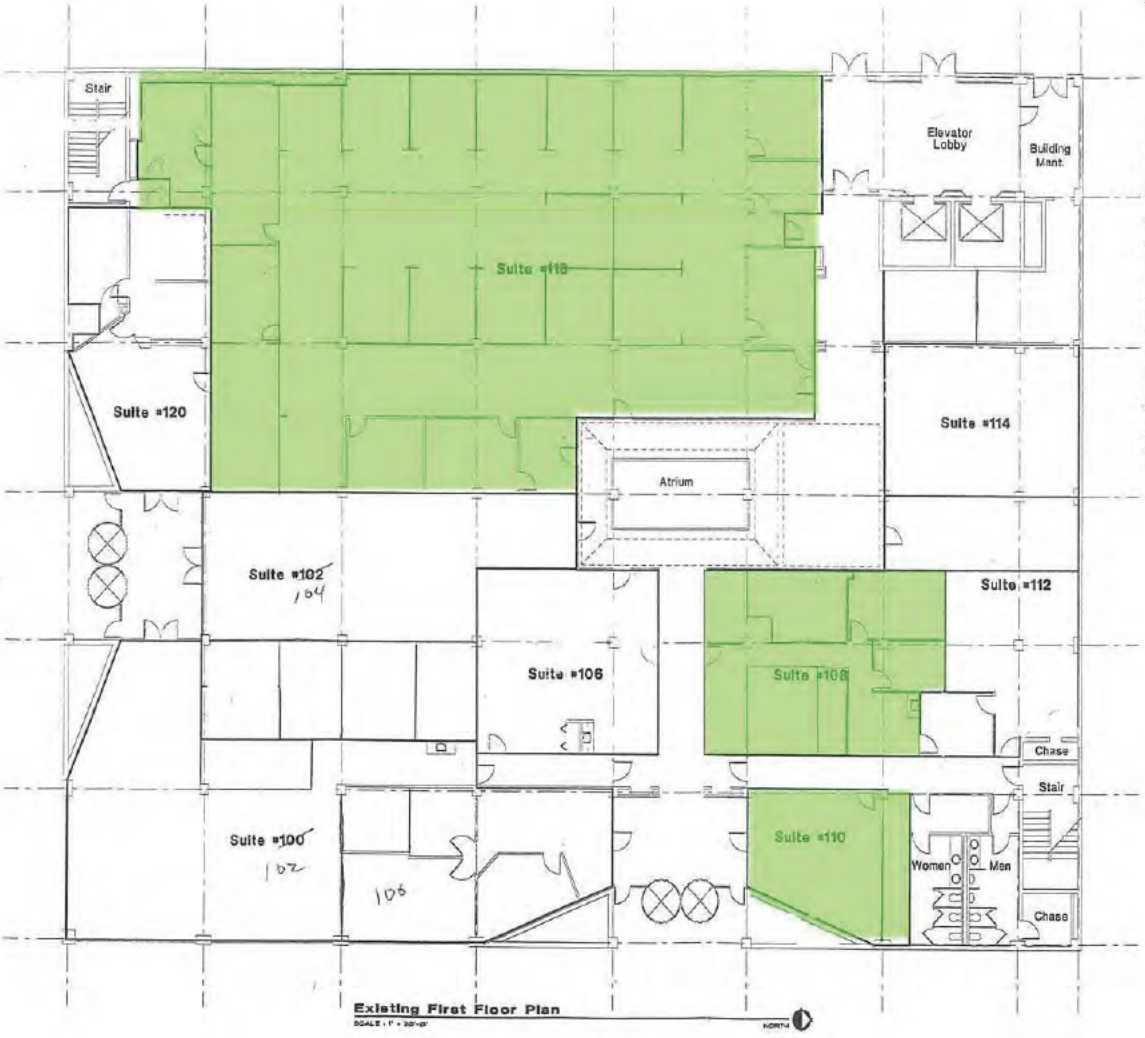


Available:

**First Floor**

| | | | |
|---|---|---|---|
| **Suite #100** | | **Suite #102** | |
| Usable | 3,073 S.F. | Usable | 2,156 S.F. |
| Leasable | 3,442 S.F. | Leasable | 2,415 S.F. |
| **Suite #106** | | **Suite #108** | |
| Usable | 947 S.F. | Usable | 1,262 S.F. |
| Leasable | 1,061 S.F. | Leasable | 1,413 S.F. |
| **Suite #110** | | **Suite #112** | |
| Usable | 601 S.F. | Usable | 1,081 S.F. |
| Leasable | 673 S.F. | Leasable | 1,211 S.F. |
| **Suite #114** | | **Suite #118** | |
| Usable | 841 S.F. | Usable | 6,776 S.F. |
| Leasable | 942 S.F. | Leasable | 7,589 S.F. |
| **Suite #120** | | | |
| Usable | 1,009 S.F. | | |
| Leasable | 1,130 S.F. | | |

720 S. Tyler, First Floor


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# 105 Mitchell Road, Oak Ridge, TN

# Appendix D

# Pantex/Y-12
# Uranium Processing Facility
# Transition Plan

March 03, 2014

Consolidated Nuclear Security

# Table of Contents

1. Introduction …….. 1

2. UPF Transition Basis and Assumptions……. 2

3. UPF Transition Team……..... 2

4. Transition Scope……. 3

5. Transition Schedule…… 3

6. Transition Staffing…….. 3

7. Transition Communications……... 3

8. Continuity of Operations…… 3

9. Human Resources Management……. 4

10. Financial Management……..……..… 4

11. Facility Walkdowns, Due Diligence, Material Differences, and Property Inventories……..……..…… 5

12. Transition Facilities……..... 5

13. Readiness Reviews and Transition Closeout……..… 5

# 1. Introduction

The transition of the Uranium Processing Facility (UPF) project will conform to the CNS Y-12/Pantex Transition Plan in most respects and meet the requirements of RFP Section F-7 (a), Transition Plan; and Section J, Appendix C, Transition Plan. The principal exceptions will be the transition of incumbent employees and the subcontracting to Bechtel National Incorporated (BNI). The plan describes how Consolidated Nuclear Security (CNS) will implement the guidance provided in RFP Section J, Appendix C, completing all activities necessary to assume full responsibility for CLIN2, the engineering, procurement, and construction (EPC) of the UPF.

The objectives of the plan are to:

- Accomplish an effective transition in consideration of the organization, work processes and procedures, and execution plan
- Minimize the impacts on continuity of project operations
- Maintain communication with staff and affected communities
- Identify key issues
- Overcome potential barriers to transition

The objectives of the plan reflect our understanding of requirements for safety and security and our recognition of the importance of the UPF and the employees who will design, procure, and construct the facility.

The transition term is from the effective date of the contract through a 4-month transition period [RFP Section F-2 (a), Amendment 4]. Upon completion of all activities involved in the plan, CNS will inform the Contracting Officer that it is ready to assume full responsibility for the UPF project. The intent is to award a cost-reimbursable subcontract to BNI with an option to convert to a lump-sum contract at a future date when NNSA and CNS agree that there is sufficient definition to transfer execution risk to the contractor. BNI will execute the project through a combination of direct-hire personnel and subcontractors. Success is defined as having BNI under a cost-reimbursable EPC subcontract at the end of the 120-day transition period.

Following submittal of the CNS proposal, NNSA indicated that had not decided whether to go forward with the proposal for CNS to subcontract to BNI for the project. Since the decision to proceed under an M&O organization or through BNI as the executing contractor has a significant influence on the transition process, a “White Paper” proposal will be developed and submitted to NNSA shortly after Transition begins and a key decision milestonewill be jointly determined between NNSA and CNS. For purposes of the remainder of this transition plan, it is assumed that the CNS proposal is accepted.

CNS will manage the transition as a project, with defined scope, schedule, and budget, and with a collocated team. Communication will begin early and will be continuous in an open, frank dialogue, with emphasis on accommodating the incumbent employees and subcontractors. Offers of employment and notifications of release will be extended as early as possible to employees impacted by the change in management but not later than 90 days after the start of transition. This Transition Plan focuses on the activities necessary to meet contract requirements, including staffing, operating systems, procedures and work control documents, baseline plans, and assessment of facilities and

pre-existing conditions as well as differences from documented conditions. It details our approach to sustaining project continuity, managing project personnel, maintaining communications with staff and affected communities, identifying key issues, overcoming barriers to transition, and meeting contract requirements safely and securely.

## 2. UPF Transition Basis and Assumptions

Availability and accessibility of information and facilities are vital to our ability to define the initial condition of the site and project, the work to be accomplished, and any material differences from documented conditions.

Office space for our incoming transition team is assumed to be provided by CNS offsite. The CNS transition office will be located on the first floor of 105 Mitchell Road (subject to internal and NNSA approvals). Computers, telephones, and other equipment (including furniture, copiers, printers, and basic office supplies) will be provided by CNS. Safety walkdowns of the office facilities will be performed prior to initial occupancy and as often as necessary to ensure safe working conditions.

This plan is based on the following assumptions:

- That existing subcontracts associated with the UPF project will be novated to CNS and that CNS will be empowered to novate to BNI.
- That personnel currently assigned to the UPF project office who are deemed excess to BNI requirements will be considered for employment within the M&O.
- That personnel offered employment by BNI will be released if they decline the offer.
- That Bechtel Procedures and Bechtel Standard Application Programs (BSAPs) will be accepted by the client to execute the project with a revised oversight model (Proposal V II, 24-25-2.f.2.iii).

## 3. UPF Transition Team

Transition will be managed by a dedicated UPF Transition Manager who is not a key person and a small staff that will concentrate on human resources planning, novation of existing subcontracts, the UPF subcontract formation and award, and updating the existing project management plan. As the UPF will be executed largely by the incumbent staff, who must continue the effort during the transition, they will not, with few exceptions, participate on the transition team.

Bechtel National Inc. (BNI) functional managers or their designees will participate in a tailored review of the existing project

- Organization and staffing,
- Work processes and procedures, and
- Execution plan

Bechtel is fundamentally a matrix organization which counts on its Functional Management to actively assist projects in formation and execution. The key objective is to engage this Functional Management on a tailored basis, considering the current and immediate work scope of importance, so that the post-transition UPF organization has the full support and alignment with Functional Management.

It is expected that not all Functional Management recommendations will be implemented during transition; however, implementation plans will be developed during the Transition for full implementation.

The UPF Transition Manager is responsible for delivering a completed project, the Transition, which includes overall management of the transition process (scope, schedule, budget, and approach). The Transition Manager will report to the CNS UPF Project Director and coordinate with the CNS Transition Manager, NNSA Transition Manager, and the incumbent contractor Transition Manager to integrate efforts, channel communications, resolve issues, and track progress. The UPF Transition Manager will participate in the formal weekly Transition Managers coordination meeting.

Carl Strock, CNS UPF Project Director, will focus on safety, overall quality of deliverables, customer relations, employee relations, stakeholder relations, communications, and overall readiness to execute the UPF scope. Independent of, but working closely with, the transition team, Mark Seely, BNI UPF Project Manager, will personally approve key human-resources-related decisions and deliverables and mission execution readiness.

## 4. Transition Scope

The CLIN 2 transition primarily involves development and award of a reimbursable subcontract between CNS and BNI. The subcontract will be subject to review and approval by NNSA. In the event that a subcontract is not in place at the completion of the transition period, a letter subcontract, subject to approval by NNSA, between CNS and BNI will be executed. In addition to the UPF subcontract, CNS will novate existing lower-tier subcontracts associated with the UPF to BNI for management.

Execution of CLIN 2 will involve the transfer of UPF employees, facilities, and equipment to CNS and further transfer to BNI.

The existing UPF Project Management Plan (Deliverable 13) will be reviewed, utilizing several Bechtel Corporate tools, such as, the Bechtel Project Execution Guidelines (Attachment 1), the Bechtel Project Execution Plan Guidelines (Attachment 2 and the Project and Planning and Setup Guidelines (Attachment 3).

Other key transition scope elements include Functional Management reviews as described in Section 3 above.. ). The Bechtel Key Activities for Successful Execution (KASE) Process will be used as one method for performing these reviews.

## 5. Transition Schedule

The UPF Transition Schedule is included in the CNS Transition Schedule (Figure 16, CNS Y-12/Pantex Transition Plan), which is based on the UPF work breakdown structure (WBS) described in Section 4, Transition Scope. The only transition deliverable directly associated with the UPF is the delivery of the updated Project Management Plan (PMP), due not later than 90 days after the start of the transition (CNS Y-12/Pantex Transition Plan in Figure 2). The Transition Schedule is based on the resources identified in Section 6.

## 6. Transition Staffing

The UPF staffing plan is included in the CNS Staffing Plan (Figure 17, CNS Y-12/Pantex Transition Plan).

## 7. Transition Communications

The UPF Transition Team will participate in and comply with the CNS Transition Communication Plan. Given the unique transition of the majority of the UPF staff to BNI, a UPF Web page will be created on the CNS transition Web site. Further, "town hall" meetings involving the UPF staff and led by Carl Strock will be conducted to ensure that employees clearly understand the transition plan. All external communication will be managed by Jim Haynes or his designated media representative.

## 8. Continuity of Operations

One of the key benefits of awarding CLIN 2 to CNS is continuity of operations. The majority of people currently associated with the project will continue in their current positions, providing assurance that momentum will be maintained through the transition period and continue without interruption after takeover. In conformance with the Y-12/Pantex Transition Plan (Paragraph 8. Continuity of Operations and Security), the UPF Transition Team will:

- Coordinate all incumbent contractor interfaces through the incumbent contractor's Transition Manager.
- Avoid communicating directly to incumbent employees during normal working hours without concurrence of the incumbent contractor, except for the essential actions required to support hiring of the CNS workforce.
- Adhere to specific criteria established by CNS related to the hiring process.
- Provide information to the incumbent employees through the CNS Web site, town hall meetings, and mailings to their home addresses.
- Map employees and budgets to the CNS structure during transition.
- "Blue sheet" and adapt work processes and procedures necessary for continuity of operations by CNS prior to contract takeover.
- Assume all management and operating systems, permits, licenses, safety bases, work control processes, and subcontracts will remain in place at contract turnover.

- Continue to execute ongoing or planned work packages with minimal interruptions. To the extent possible, changes to work packages will be limited to blue-sheeting of processes or conversion to subcontractor processes.
- Map incumbent contractor budgets to the CNS WBS. The most significant aspect of this provision is that BNI will generally implement reduced rates when the UPF is executed as a subcontract.
- Novate all existing subcontracts, notably the engineering subcontracts, as currently written.

BNI, as the UPF subcontractor, will comply with the above elements during the transition period, especially where interaction with incumbent employees is concerned.

## 9. Human Resources Management

BNI will map incumbent employees to the UPF execution organization and provide the result to CNS Human Resources not later than Day 30 of transition. It is assumed that the current UPF contractor will provide UPF project personnel rosters and organization charts to facilitate the mapping process. BNI will map incumbent employees to a new UPF execution organization and provide the result to CNS Human Resources not later than Day 30 of transition. Incumbent employees will be categorized as those required full time, those required part time (generally M&O employees who support the UPF as required), and those not necessary following turnover. Those identified for continued full-time employment on the project as BNI employees will be notified not later than Day 90 of the transition that they will be released from the M&O at turnover and offered employment with BNI. Employees identified as excess to project full-time needs will receive the same consideration as non-UPF incumbent employees for employment within the M&O in accordance with the Y-12/Pantex Transition Plan (Paragraph 9. Human Resources Management) and will be notified of their status not later than Day 90 of the transition.

## 10. Financial Management

UPF financial management activities during the transition period will be overseen by the CNS Chief Financial Officer in accordance with Section 10 of the Y-12/Pantex Transition Plan.

## 11. Facility Walkdowns, Due Diligence, Material Differences, and Property Inventories

The overall Transition Plan provides for walkdowns to be conducted in accordance with the Y-12/Pantex Transition Plan (Paragraph 11, Facility Walkdowns, Due Diligence, Statement of Material Differences, and Property Inventories). To the maximum extent possible, these walkdowns will be conducted concurrently by CNS and BNI to facilitate the transfer of responsibility under the subcontract. It is not expected that the UPF transition will include facility walkdowns; property inventories will be managed and transferred.

## 12. Transition Facilities

The UPF Transition Team may be collocated with the CNS Transition Team

## 13. Readiness Reviews and Transition Closeout

The UPF Transition Team will participate in all readiness reviews with the CNS Transition Team.

## ATTACHMENTS

Attachment 1 Project Management Plan Checklist

Attachment 2 Project Management Plan Guidelines

Attachment 3 Project Planning and Setup Guidelines (Ref. Key Elements 4 and 9).

# Appendix D
# Pantex/Y-12
# Uranium Processing Facility
# Transition Plan

# Attachment 1
# UPF Project Management Plan Guidelines

March 3, 2014

Consolidated Nuclear Security
Enterprise Management

## *Table of Contents*


**1. EXECUTIVE SUMMARY ..... 1**

1.1 GENERAL PROJECT INFORMATION ..... 1
1.2 PROJECT OWNERSHIP/SPONSORS ..... 1
1.3 MAJOR PRIME CONTRACT CONSIDERATIONS ..... 1
1.4 PROJECT FINANCING ..... 1
1.5 PROJECT OBJECTIVES ..... 1
1.6 KEY RISKS – HIGHLIGHTS AND MITIGATION ..... 2
1.7 EXECUTION STRATEGY AND APPROACH ..... 3
1.8 ENVIRONMENTAL, SAFETY, AND HEALTH ..... 3
1.9 SECURITY ..... 3

**2. PROJECT GOALS, OBJECTIVES, AND EXECUTION STRATEGY ..... 3**

2.1 VISION STATEMENT ..... 3
2.2 GOALS AND OBJECTIVES ..... 3
2.3 OVERARCHING PRINCIPLES ..... 4
2.4 EXECUTION STRATEGY AND APPROACH ..... 5
2.4.1 Work breakdown structure (WBS) and organizational division of responsibility (DOR) ..... 5
2.4.2 Cross-functional topical execution plans ..... 5
2.4.3 Functional execution strategies and plans ..... 6
2.4.3.1 Engineering delivery model ..... 6
2.4.3.2 Supply chain management/Materials management ..... 6
2.4.3.3 Contracts Management ..... 6
2.4.3.4 Construction delivery model and sequence ..... 6
2.4.3.5 Startup and commissioning delivery model and sequence ..... 6
2.4.4 Major project milestones ..... 7
2.5 KASE / GATED REVIEWS ..... 7

**3. PROJECT BASELINE ..... 7**

3.1 SCOPE OF WORK AND SERVICES ..... 8
3.1.1 Project Site Information ..... 8
3.1.2 Project Technical Scope Description ..... 8
3.1.3 Project Services Scope Description ..... 9
3.1.4 Project Guarantees and Warranties ..... 9
3.2 SCHEDULE BASELINE ..... 9
3.3 BUDGET BASELINE ..... 10
3.4 PRIME CONTRACT KEY TERMS AND CONDITIONS ..... 10
3.5 MAJOR EQUIPMENT SUPPLIERS ..... 11
3.6 OWNER FURNISHED SCOPE AND SERVICES ..... 11
3.7 PROJECT FINANCING PLAN AND REQUIREMENTS ..... 11
3.8 DEVELOPMENT PHASE TO NOTICE TO PROCEED ..... 11

**4. PROJECT EXECUTION PLAN ..... 11**

4.1 ORGANIZATION ..... 11
4.1.1 Bechtel Project Organization ..... 12
4.1.2 Customer's Organization ..... 12
4.2 PROJECT INTERFACES/CUSTOMER RELATIONSHIPS ..... 12
4.2.1 General ..... 12
4.2.2 Project/Customer Interface: Zipper Plan ..... 13
4.2.3 Teambuilding ..... 13

4.2.4 Orientation/Indoctrination ..... 13
4.2.5 Meetings ..... 13
4.3 WORK PLAN ..... 14
4.3.1 Roles and Responsibilities and Interface Management ..... 14
4.3.2 (Sub) contract Matrix ..... 14
4.4 FUNCTIONAL DEPARTMENT OVERSIGHT ..... 14
4.5 PROJECT MILESTONE SCHEDULE ..... 14
4.6 PRIME CONTRACT MANAGEMENT ..... 14
4.7 PROJECT QUALITY PLAN ..... 15
4.7.1 Documentation ..... 15
4.7.2 Implementation ..... 15
4.7.3 Assessment ..... 16
4.8 ENVIRONMENTAL, SAFETY AND HEALTH ..... 16
4.9 PROJECT SECURITY PLAN ..... 16
4.10 PROJECT SIX SIGMA PROGRAM ..... 16
4.11 PERFORMANCE REPORTING ..... 16
4.12 TREND PROGRAM ..... 17
4.13 CUSTOMER ISSUES ..... 17
4.14 BEST PRACTICES/LESSONS LEARNED ..... 17
4.15 ENVIRONMENTAL COMPLIANCE PLAN ..... 17
4.16 PERSONNEL MANAGEMENT ..... 18

**5. RISK MANAGEMENT PLAN ..... 18**

5.1 PRIME CONTRACT RISKS AND MITIGATION PLANS ..... 18
5.2 PROJECT LOCATION RISKS AND MITIGATION PLAN ..... 19
5.3 ENGINEERING EXECUTION AND TECHNICAL RISKS AND MITIGATION PLAN ..... 19
5.4 SUPPLY CHAIN RISKS AND MITIGATION PLANS ..... 19
5.5 SUBCONTRACTOR AND PARTNER EXECUTION RISKS AND MITIGATION PLANS ..... 19
5.6 CONSTRUCTION EXECUTION RISKS AND MITIGATION PLANS ..... 20
5.7 STARTUP EXECUTION AND WARRANTY RISKS AND MITIGATION PLANS ..... 20
5.8 CUSTOMER INTERFACE AND RELATIONSHIP RISKS AND MITIGATION PLANS ..... 20
5.9 ES&H AND SECURITY RISKS AND MITIGATION PLANS ..... 21

**PROJECT SPECIFIC APPENDICES ..... 22**

**Acronyms:**

| | |
|---|---|
| AEU | Affiliated Execution Unit |
| CM | Construction Manager |
| DOR | Division of Responsibility |
| EPC | Engineering, Procurement and Construction |
| ES&H | Environmental Safety and Health |
| FOAK | First of a kind |
| GBU | Global Business Unit |
| JV | Joint Venture |
| KPI | Key Performance Indicator |
| LD | Liquidated Damages |
| LSTK | Lump-sum Turnkey |
| NPV | Net Present Value |
| NTP | Notice to Proceed |
| OHO | Other Home Office |
| P&ID | Piping & Instrumentation Diagram |
| PEP | Project Execution Plan |
| PESP | Project Execution Strategy Plan |
| PIPs | Process Improvement Projects |
| PM | Project Manager |
| PMP | Project Management Plan |
| PPSG | Project Planning and Setup Guidelines |

| | |
|---|---|
| PQP | Project Quality Plan |
| T&L | Traffic and Logistics |
| TIC | Total Installed Cost |
| WBS | Work Breakdown Structure |

# 1. EXECUTIVE SUMMARY

To preclude undue repetition throughout the Project Management Plan (PMP), this section should provide an overview of the project by briefly summarizing its salient aspects, as listed herein, and provide references to the appropriate sections for the associated detail.

## 1.1 GENERAL PROJECT INFORMATION

Briefly describe the type of project, including its location, major equipment, capacities, and output; fuel; cooling; and other salient characteristics. Refer to Section 3.1, Project Baseline for details.

## 1.2 PROJECT OWNERSHIP/SPONSORS

Briefly describe the project sponsor(s) with whom we have entered into a contract, including percent ownership and company background. Refer to Section 3.6 for details.

## 1.3 MAJOR PRIME CONTRACT CONSIDERATIONS

Summarize the prime contract structure and associated contracting entities, including split contracts, and wrap agreements if applicable. Provide highlights of key contract provisions, including schedule, performance, and acceptance guarantees, liquidated damages or bonuses associated with such guarantees, contract liability caps and subcaps, warranty and post-completion responsibilities, bid list restrictions, and any other unique or unusual contract obligations or performance incentives. Refer to Section 3.4 for details.

If in a consortium, joint venture (JV), or partnership, provide highlights of the partnering agreement, including leadership responsibilities, authorities, allocation of liability, and major commitments or arrangements made among the partners.

## 1.4 PROJECT FINANCING

Describe the project financing, and highlight any unique sourcing, local content, invoicing, or other requirements that may be associated with the financing agreements. Refer to Section 3.6 for details.

## 1.5 PROJECT OBJECTIVES

Highlight the key strategic objectives that have been established for the project, e.g.:

- Execute a zero-accidents policy
- Complete the project per contractual quality and schedule commitments
- Mitigate potential adverse risk consequences
- Achieve customer goals and objectives
- Perform the project within budget


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- Meet or beat the plant performance requirements (gain plant performance bonus)
- Meet or beat the schedule (gain early completion bonus)
- Meet or beat established environmental, safety, and health (ES&H) key performance indicator requirements
- Achieve project team
- Achieve key performance metrics as established for the project

## 1.6 KEY RISKS – HIGHLIGHTS AND MITIGATION

Summarize the major risks associated with project execution, identify the steps to be taken to mitigate these perceived risks, and indicate who is responsible for tracking throughout the project's life. Refer to Section 5.0 for a detailed discussion of the risk management plan.

At a minimum, address the following areas:

- Risks identified in the 222 letter(s) and 224 letter(s)
- Project execution risks: some examples include; (do not repeat if covered above by the Management Approval Letters i.e.; 222 and 224)
  - Technical risk (especially new technologies, or first-of-a-kind [FOAK] issues)
  - Subsurface risks
  - Engineering/other home office (OHO) performance risk
  - Customer, JV Partner, major supplier, affiliated/alternate execution unit (AEU) interfaces
  - Working with a new customer
  - Construction performance risk
  - (Sub) contractor risk
  - Expatriate content
  - Management of suppliers (especially, new/unproven)
  - Total installed cost (TIC) risk
  - Labor risks
  - Consortium/JV risks
  - Traffic and Logistics (T&L) risks (including heavy haul to the site)
  - Customs, duties
  - Environmental risks
  - Hazardous operations risks
  - Schedule risks
  - Permitting risks
  - Pricing risks
  - Payment risks
  - Plant performance risks
  - Lump-sum, turnkey (LSTK) pricing risk (including currency issues as appropriate)


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- Customer Program-related risks
- Project location risks (local politics, security, labor availability, quality)
- Plant warranties

## 1.7 EXECUTION STRATEGY AND APPROACH

Briefly describe the approach and strategy for execution, addressing key areas such as extent of use of AEUs or multiple execution offices/locations, JV partner roles, design subcontractors, pre-/post-Notice to Proceed (NTP) work scopes, construction approach (e.g., direct hire, construction management, camp), commitment to and use of the TIC program, and startup approach (e.g., by Bechtel or by others). Review key issues of the project execution strategy plan (PESP) developed during the proposal phase. Refer to and summarize the results of Section 2 in this section of the Executive Summary.

## 1.8 ENVIRONMENTAL, SAFETY, AND HEALTH

Briefly describe the project's approach to ensuring the safety and health of all persons working on or visiting the project. Include a description of the ES&H planning process, the risk assessments to be performed based on the proposed scope of work, and the development of the project-specific ES&H execution plan. Briefly describe how the project will comply with customer programs and environmental requirements.

## 1.9 SECURITY

Briefly describe the project's approach to ensuring the security of the jobsite and of all persons working on or visiting the project, and with proposed emergency and evacuation planning and notification requirements. Describe contingency plans for any predominant weather conditions (e.g., hurricanes) and approaches for ensuring the security of Bechtel property, intellectual property, and resources.

# 2. PROJECT GOALS, OBJECTIVES, AND EXECUTION STRATEGY

## 2.1 VISION STATEMENT

State the project's Vision Statement. This statement reflects the team's vision of the customer, partners (if applicable), and itself. The execution strategy should also be reflected in the statement. The Vision Statement needs to be a vision shared by the entire team and should have the buy-in of the project's key stakeholders. The Vision Statement is most often generated during teambuilding early in the project life, or by soliciting the voice of the customer during the Six Sigma strategic gap analysis.

## 2.2 GOALS AND OBJECTIVES

List the key strategic objectives and project goals that have been established in recognition of and in order to achieve the above vision. Goals should align with objectives in Section 1.5 and should be specific (i.e.; the actual goals).


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The goals should include a clear definition of how the project will know they are achieved (e.g.; metrics and timeline). Goals should not be included that cannot be quantified (measured).

Typical goals and objectives are as follows:

- Execute a zero-accidents policy; achieve ES&H key performance indicators
- Perform in accordance with contractual quality and schedule commitments
- Prevent adverse risk consequences
- Achieve customer program goals and objectives
- Perform the project within budget
- Optimize net present value (NPV) or achieve lowest total installed capital cost as determined by customer goals and objectives
- Reduce quantities; limit growth in scope
- Meet or beat the schedule (earn early completion bonus)
- Meet or beat the plant performance requirements (earn plant performance bonus)
- Meet or beat established project key performance indicator (KPI) requirements
- Achieve project team satisfaction
- Comply with all environmental, occupational health, hygiene, and safety regulations
- Establish proactive community relations at the site

## 2.3 OVERARCHING PRINCIPLES

Describe the principles and approaches to be used to meet the goals and objectives, e.g.:

- Have all team members endorse project goals and objectives
- Identify potential risks and mitigation strategies; actively manage risks
- Identify problems and issues early; communicate them with management early
- Ask for help if needed
- Sponsor a proactive and effective TIC approach with a focus on optimization, quantity, and cost reduction
- Openly encourage team-based innovation
- Work the schedule; establish visible short term milestones (e.g., piping and instrumentation diagram [P&ID] freeze, site mobilization)
- Support, and use the services of AEUs
- Identify and actively manage the interfaces with the customer, partners, AEUs, and suppliers
- Provide opportunities for personnel development
- Establish proactive and positive community relations at the jobsite


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## 2.4 EXECUTION STRATEGY AND APPROACH

Provide a brief but concise description of the approach and strategy for executing the contract scope of work, including a description of this scope of work and addressing key areas such as the extent of use of AEUs or multiple execution offices/locations, JV partner roles, design subcontractors, pre-/post-NTP work scopes, construction approach (e.g., direct hire, construction management, camp), commitment to and use of the TIC program, and startup approach (e.g., by Bechtel or by others). If a PM/CM contract, describe our scope of work and how we interface with the owner and other key project entities. Review key issues of the PESP if developed during the proposal phase.

The primary focus in this section shall be the use of cross-functional and functional execution plans to clearly define the execution strategy and approach for the project. The key distinction is that the cross-functional plans are topical in nature, where the project team can explain how they will work to achieve the key objectives of the project in an integrated fashion. These topical plans will be unique for each project, depending on the project's critical path and key execution risks, as well as the division of responsibilities of the project execution entities. For instance, a solid fuel power plant may have a topical cross-functional plan that describes in detail the plan for the boiler, starting from the integrated approach to engineering release, material delivery, and erection plan; whereas a civil project could describe the EPC approach to a tunnel.

A PM/CM contract must evaluate the overall roles and responsibilities of the key executing entities and develop a custom execution strategy for that project. All of the elements below are important, but should be adjusted to align with that project's individual characteristics.

**2.4.1 Work breakdown structure (WBS) and organizational division of responsibility (DOR)** – Define at the outset of the project the overall project WBS and define the organizational responsibilities for executing its elements in conjunction with this WBS. Fundamental to this are the decisions on what portion of the project is engineering (E); engineering and procurement (EP); engineering, procurement, and construction (EPC); or (sub)contract responsibility. In addition, an approach to achieving the lowest TIC or best NPV, as determined by customer requirements, needs to be established, and TIC teams should be considered for cross-functional execution and cost and schedule accountability versus a functional alignment. Consider a cross-functional WBS and organizational breakdown structure for cost and schedule accountability.

**2.4.2 Cross-functional topical execution plans** – Describe the cross-functional work process approach, including engineering; constructability reviews; detailing; material supplier orders; fabrication; shipping and logistics; onsite storage; onsite fabrication and modular erection; degree of modularization from the fabricator; erection and rigging; coating; and, in particular, overall erection sequencing. These cross-functional areas may


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also be assigned on the basis of TIC teams, Six Sigma process improvement projects (PIPs), or KPI responsibility assignment. Examples of cross functional topical execution plans include:

- Structural Steel
- Rail Stations
- Major mechanical equipment package (Boiler, LNG tanks)
- Major electrical equipment package (Switchyard)
- Major subcontracts- design build (Fuel Handling)

**2.4.3 Functional execution strategies and plans**– These sections define for each department its delivery model specific to the project. Care should be taken to not be redundant to information and plans covered by the topical execution plans in section 2.4.2, nor to repeat information that may be included in Volume 2 of the PMP related to standard work process or organizational structures. Define for each function the summary level execution strategy for the project that forms the basis for detailed execution planning, estimating, and scheduling.

**2.4.3.1 Engineering delivery model** – Define affiliated execution office execution strategy and scope, (sub)contracted engineering, level of detail for deliverables in terms of support to (sub)contract execution and/or direct-hire execution, and overall automation integration strategy. Define the critical path sequence, including process design and major equipment vendor information, timelines, and sequencing.

**2.4.3.2 Supply chain management/Materials management** – Define the major equipment suppliers, (sub)contractors, and approach to bulks. Define the basis for competitive bids versus sole source and use of Bechtel or customer strategic suppliers.

**2.4.3.3 Contracts Management –** Define the major contracts that support the execution plan. Define the basis for competitive bids versus sole source supply and the use of Bechtel or Customer preferred Contractors.

**2.4.3.4 Construction delivery model and sequence** – Define the overall execution approach to direct hire versus (sub)contracted scope of work, overall build plan and sequencing, critical path areas and erection operations, winter/summer month constraints, labor strategy, and other high-level construction strategies.

**2.4.3.5 Startup and commissioning delivery model and**


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**sequence** – Define the contract scope of work and turnover boundaries with the owner; the role of major equipment suppliers or process area (sub)contractors or affiliates/partners; use of owner operators; fundamental turnover, commissioning, and startup philosophy; and major startup operations sequence and strategies.

**2.4.4 Major project milestones** – Define milestones within the project to achieve the project's overall completion. Define the critical path in conjunction with the execution strategy to achieve these milestones, e.g., out of the ground, steel erected, major equipment placed, 80% of the bulks. Major project milestones are shown on the project's Milestone Summary Schedule which should be included as APPENDIX A.

## 2.5 KASE / GATED REVIEWS

As part of the project's execution, the KASE (key actions for successful execution) gated review process should be employed. The KASE process outlines a series of gates associated with project milestones that the project would conduct a readiness review with functional management before proceeding to the next phase of the project. Projects should use the KASE process as a reference, but develop a specific set of gates/reviews that support the scope of the job, the contract terms, and our customer and/or JV partners working relationship.

# 3. PROJECT BASELINE

The project baseline is a key element of the PMP. It translates on EPC projects of Bechtel's contractual commitments of scope, schedule, and budget into specific working documents that the project team uses routinely to successfully execute the work. On PM/CM contracts, it identifies the owner's baseline in the above areas and how Bechtel will participate in achieving the baseline objectives. It establishes the parameters within which the project team is expected to perform and against which its progress is measured. Consideration needs to be given to breaking down the project baseline consistently with the TIC approach as applicable to the project. The baseline also provides the basis for ongoing reconciliation of contract deliverables through scope change management. The project baseline reflects:

- What we have to do…i.e., the scope
- When we have to do it…i.e., the schedule
- What will it cost us…i.e., the budget

The baseline is made up of the following:


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- Scope of Work and Services
- Project Schedule
- Project Budget
- Contract Terms and Conditions

The above are controlled documents and their respective details should not be repeated herein. The project should provide summary level information such that the execution plan and risk mitigation strategies can be understood.

## 3.1 SCOPE OF WORK AND SERVICES

Scope definition is important because it provides:

- Focus for program objectives
- Common understanding of specific expectations and requirements
- Accounting for all the work
- Basis for schedule development
- Basis for budget development
- Framework for managing change

The execution plan should summarize the work to be preformed, including:

- Physical work
- Products and services
- Technical requirements
- Quality standards
- Geographical location (site info)
- Safety requirements, and
- Time frame

### 3.1.1 Project Site Information

Provide a description of the project site and surrounding area, including site size, elevation, and boundaries, host industries, local facilities and infrastructure, closest large cities with airport access, means of access for light/heavy deliveries, maps, etc. Also provide a geological description of the site, addressing any required excavation or backfill, soil conditions and anticipated foundation constraints, unusual underground or aboveground features, wetlands, special environmental constraints, and archaeological constraints, and their impact on project execution.

### 3.1.2 Project Technical Scope Description

Provide a description of the project scope, including major equipment and characteristics (including vendor[s], energy source[s], emissions and pollution control), plant cooling approach, water source and quality, switchyard and transmission scope (if applicable), significant host


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interfaces, and any other salient project-specific scope. Identify applicable codes/standards/ regulations/permitting. Identify key ES&H issues, constraints, etc.

### 3.1.3 Project Services Scope Description

Provide a general description of the scope of services to be performed or excluded (e.g., engineering, procurement, construction, startup, project management) and Bechtel's role versus the other key execution entities.

Identify any key areas that are in Bechtel's scope or that Bechtel will support that are typically excluded from an EPC role (e.g., operations, customer's licensing, permitting activities).

### 3.1.4 Project Guarantees and Warranties

Performance:

- Summarize key plant operating characteristics to be guaranteed (e.g., output, Noise, emissions)
- Identify any associated liquidated damages (LDs)
- Identify which aspects are covered by wraps from the equipment suppliers
- Reference the section(s) below that contain the associated details on risk mitigation plans

Schedule:

- Summarize our guaranteed schedule commitments if any, and associated LDs
- Reference the section(s) below that contain the details on risk mitigation plans

Warranties:

- Summarize the contractual requirements for warranties
- Identify which aspects are covered by the equipment suppliers
- Reference the section(s) below that contain the details on warranty management
- Correlate these items to contractual completion milestones such as mechanical completion, substantial completion, final completion, and acceptance

## 3.2 SCHEDULE BASELINE

The schedule baseline is the basis for measuring and reporting schedule performance


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and reflects the duration and sequence of project activities and the commitment dates by which major project activities must be accomplished. The schedule baseline is summarized in the Project Master Schedule or Milestone Summary Schedule, and establishes both the framework for detailed schedule development and the priorities for work completion. Included in the baseline are various scheduling tools based on the specific project such as:

- Schedule milestones
- Work execution plans
- Quantity release and installation curves
- Staffing curves

Schedule information to support a baseline must be developed by Bechtel, provided by subcontractors, and/or relayed by the owner.

## 3.3 BUDGET BASELINE

The budget baseline is typically derived from the approved estimate for the project. On PM/CM projects, budgets may come from a number of sources coordinated by the owner. Typically, the baseline includes:

- Budget definition for material and labor components
- Basis for cost control of materials and labor components, including ownership and accountability for all items
- Definitions for corresponding account codes
- Basis for change control
- Cash flow requirements

## 3.4 PRIME CONTRACT KEY TERMS AND CONDITIONS

Major prime contract considerations were highlighted in Section 1.3 and provide an executive overview of the contract. This section is intended to provide additional information on the key contract terms and conditions.

Describe, in detail, the prime contract structure and associated contracting entities, including consortium or partnership, split contracts, and wrap agreements if applicable. Provide details of key contract provisions, including schedule, performance, and acceptance guarantees, liquidated damages or bonuses associated with such guarantees, contract liability caps and subcaps, warranty and post-completion responsibilities, bid list restrictions, and any other unique or unusual contract obligations or performance incentives.

If in a consortium, joint venture (JV), or partnership, provide details of the partnering agreement, including leadership responsibilities, authorities, allocation of liability, and major commitments or arrangements made among the partners. If in a PM/CM role, provide Bechtel's contractual commitments and our ability to influence the outcome.


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## 3.5 MAJOR EQUIPMENT SUPPLIERS

Provide DOR information for the major equipment vendor(s), if different from, or in the absence of a consortium/JV. Clearly define all interfaces/responsibilities.

## 3.6 OWNER FURNISHED SCOPE AND SERVICES

Describe the customer's/owner's group members and their respective roles and responsibilities in project execution, during both construction and operation. Describe the customer's/owner's authorities and the extent of reviews and approvals inherent in the contract.

Identify and describe the customer's/owner's engineer and its role, if applicable. Describe the plan for ensuring compliance with contract requirements, including the plan to screen the customer's/owner's or bank's/financing agency's engineer requests to ensure that they do not exceed contractual commitments.

Identify any associated jurisdictional authorities or approval agencies with which Bechtel must interface in regard to design approvals, permitting, or contract awards.

Highlight what we see as the customer's goal and expectations and document our strategy to align our goals with the customer's to achieve a win-win situation, including our approach to customer relations.

Refer to Sections 4.2.2 and 4.2.3 for descriptions of customer interface management.

## 3.7 PROJECT FINANCING PLAN AND REQUIREMENTS

Explain the ownership group's customer source of project financing, funding cycle, and any resulting requirements, such as local content or equipment sourcing obligations or restraints. Reference the project plans to satisfy these requirements.

## 3.8 DEVELOPMENT PHASE TO NOTICE TO PROCEED

Describe the authorized schedule and scope of work (if applicable) that was completed before NTP.

If the development team is different from the execution team, describe the transfer and hand-off process from development to execution, identifying key team members (including AEUs) who may be transitioning into execution.

# 4. PROJECT EXECUTION PLAN

## 4.1 ORGANIZATION

Describe in this section the overall project execution organization, identifying Bechtel's


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role (e.g., turnkey contractor, consortium/JV leader/member, project or construction manager, or [sub]contractor). Also, identify the Bechtel business organization(s) under whose auspices the project is to be executed.

Reference here and provide in Appendix B all appropriate organization charts discussed in this and other sections of the PMP. For ease of understanding and review, it is preferred that the entire organization for each company be portrayed on a single sheet. For complex project teams such as those on consortium projects, overlays of the company organization charts should be included (on a separate sheet) highlighting roles and responsibilities and showing the interfaces.

### 4.1.1 Bechtel Project Organization

Describe the Bechtel Project Management team and the reporting relationships within the team, identifying the key positions. Address key positions in the execution office, the project site, AEUs, and any other locations where significant work activities are being performed. Prepare a multi-location execution interface plan containing this information.

If in a consortium/JV or other integrated team arrangement, denote which positions are to be staffed by each organization involved. Also, describe any key interrelationships among senior (off-project) management of all partners/members.

If in a PM/CM role, describe organizational interfaces between the owner, Bechtel, and the contractors.

If the project is going to employ a TIC approach, a TIC team organization may be established in addition to the classic functional organization. Teams may be established based on contracting structure, unique project characteristics, and risk profile to best control individual project execution.

### 4.1.2 Customer's Organization

Describe the customer's team and the reporting relationships within the team, identifying the key positions and describing their associated roles, responsibilities, and authorities.

## 4.2 PROJECT INTERFACES/CUSTOMER RELATIONSHIPS

### 4.2.1 General

Describe the approach to interfacing with the customer and other key project team members (including outside entities, key suppliers, and [sub] contractors). Refer to Section 4.3.1 for a description of Consortium/JV interface management. Identify who can make commitments on behalf of the project members, and identify any levels or limitations of these authorities. Cross-reference appropriate formal communications procedures described in Section 5.5. Illustrate interfaces both graphically and in a matrix.

Describe the plan for holding formal customer/project team alignment meetings as


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well as the issues resolution process that is agreed upon with the customer.

In addition, describe the plan for the routine coordination meetings that should be in accordance with the project zipper plan (see Section 4.2.2). The interfaces with the customer should result in open, frequent communication that provides the project manager and team with constructive feedback on performance and expectations.

Describe how the Project Manager will facilitate communications, relationships, and teambuilding, and the interface with the major equipment supplier(s) and (sub)contractors.

Describe how the services of the project procurement manager and the project contracts manager will be used to maintain the proper emphasis and focus on critical long-lead-time procurements and construction (sub)contracts on the project's critical path.

### 4.2.2 Project/Customer Interface: Zipper Plan

Include a project zipper plan as part of Appendix B to the PMP, as appropriate, which shows the alignment/interface between key customers and their Bechtel project counterparts. Some project managers keep a status of these interfaces in the plan. The zipper plan may also include planned communication methods and meeting frequency, including frequency of key executive meetings. The zipper plan may be shared with the customer, depending on the needs of the project, and can be depicted graphically and/or in a matrix.

### 4.2.3 Teambuilding

As described in the Project Planning and Setup Guidelines (PPSG), teambuilding is a critical element of successful projects. The Project Manager owns the teambuilding approach for the project. Describe the project's approach to teambuilding, including frequency and participation by the customers, consortia/JV, major equipment suppliers and (sub)contractors, and key jobsite personnel.

### 4.2.4 Orientation/Indoctrination

Describe the methodology proposed to orient new team members to the project.

### 4.2.5 Meetings

Describe the face-to-face meetings and teleconferences proposed to facilitate communication and coordination (e.g., kickoff meetings, safety coordination meetings, plan-of-the-day meetings, short-term work plan meetings, progress review meetings, major supplier weekly status teleconferences, major [sub]contractor progress and coordination meetings, jobsite teleconferences, trend meetings, and TIC meetings).

Identify the reports and information for use as references for each meeting to ensure that reports and meetings are in alignment. Making sure that meetings and information properly align is critical; otherwise, reports may end up not being


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used, and the right information may not be available at meetings to drive the decision-making process.

The meetings and report requirements should be summarized in the Meeting Plan and Reports Matrix, and should be included as Appendix K.

## 4.3 WORK PLAN

### 4.3.1 Roles and Responsibilities and Interface Management

Provide in this section a summary description of the approach to managing the interfaces among the various entities. Also, describe permitting activities and allocation of responsibility between the project and the customer's organization and with any outside approval agencies (e.g., state approval boards). Other considerations applicable for consortium/JV partners include the welding/nondestructive examination program, safety program, and document control processes and software. See Appendix C for a DOR document.

### 4.3.2 (Sub) contract Matrix

Include as Appendix G a detailed (sub) contract matrix identifying the major work scopes to be (sub)contracted and to whom. For projects located outside the US, indicate the country of origin on the matrix. Provide in this section a summary description of the philosophy and content of this matrix.

## 4.4 FUNCTIONAL DEPARTMENT OVERSIGHT

It is the intent of this section to ensure that the plan for functional and project reviews is established up front, and coordinated with the functional departments, operations, and senior management, and this plan then documented in the PMP. The project should take the lead in establishing the timing and scope of the planned reviews, such that both corporate requirements, and project needs are jointly satisfied.

## 4.5 PROJECT MILESTONE SCHEDULE

The schedule is based on the contract and is jointly owned by the project team where all members are accountable for the planning, preparation, and integration of the schedule. Each project’s milestone schedule is different based on the contract scope and participating entities.

## 4.6 PRIME CONTRACT MANAGEMENT

A key element of any successful project is skillful management of prime contract interfaces. A prime contract compliance plan is a mandatory element of the PMP. Included in the prime contract compliance plan (Appendix E) are the following:

- Contract baseline review and team appraisal


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- Contract compliance matrix
- Contract management responsibilities matrix
- Contract management schedule
- Contract management liability containment plan
- Pending items and change order procedure
- Team commercial awareness training plan
- Corporate entities responsible for execution, including legal registration and administrative requirements

## 4.7 PROJECT QUALITY PLAN

Section 18 of the Project Management Manual describes the steps in establishing the Project Quality Plan (PQP) and provides an outline of a PQP document suitable for the PEP. The following describes some of the essential elements of this plan.

### 4.7.1 Documentation

The project's quality system requirements, in conformance with the Bechtel quality system, are documented in the PQP. The PQP reflects the specific contract requirements and provides assurance that the products and services provided are of a quality level commensurate with customer expectations. The PQP addresses and envelopes the entire work scope of the project, including the AEU. Avoid separate quality plans among various work locations because they can result in fragmented or divergent objectives and methods.

A standard PQP template for a typical Bechtel project is currently in development. The standard PQP is to be modified by the project to reflect specific or unique requirements imposed by the contract and/or a different project setup made necessary by consortium/JV and/or unique contract requirements. The PQP is approved by the project manager and the regional quality services department manager and is included in the PMP as Appendix E.

### 4.7.2 Implementation

Describe the PQP's implementation process, including integration of requirements among separate work locations and training of off-project groups. The policy level requirements are translated into procedures and work instructions by each functional department and are supplemented, as necessary, by project procedures to deliver a quality product. Personal attitudes toward quality cannot be allowed to influence the quality of the delivered product. Following are some of the key implementation elements inherent in the PQP that provide a sustained quality level product or service:

- Maintain a visible contract compliance matrix
- Use efficient and state-of-the-art-work procedures to maximize productivity


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- Use cost-effective procurement (supply chain) processes to ensure conformity of the product to specifications
- Use proven construction methods efficiently and effectively to minimize rework
- Establish and implement a measurement system with an objective to minimize rework and improve quality and productivity

#### 4.7.3 Assessment

To the extent they may be different than the Quality Management department standards procedures, describe the project's quality assessment plans.

## 4.8 ENVIRONMENTAL, SAFETY AND HEALTH

The project specific ES&H program should be included as Appendix H. To the extent that project specific conditions warrant special ES&H considerations, these should be documented in this section. Any deviations to the ES&H core processes or standard roles and responsibilities should also be described in this section.

## 4.9 PROJECT SECURITY PLAN

Describe the preparation and implementation of a project security plan (see Appendix J) to ensure the safety of all workers and visitors. Describe the key elements of the plan and any overlap with the customer’s security program.

Indicate that an emergency action plan, including emergency preparedness and emergency evacuation planning, is to be part of the implementation of the emergency preparedness plan. Do not duplicate this process as part of developing the security program; however, include a cross reference to this plan.

## 4.10 PROJECT SIX SIGMA PROGRAM

Describe how projects plan to use Six Sigma teams and methodologies for continuous improvements, structured problem solving, and knowledge management. This section can also be used to describe how the project will utilize the strategic gap analysis process to drive project performance and/or achieve stretch goals.

## 4.11 PERFORMANCE REPORTING

In preparing the project’s performance metrics, observe the following practices:

- Assure all work scope is included in performance calculations
- Performance metrics align with the overall project’s organizational and accountability structure
- Performance is tracked for both direct hire as well as subcontractor performance in accordance with the overall project roles and responsibilities


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- Process scope changes and adjust discipline budgets accordingly
- Process trends and adjust discipline forecasts accordingly*

Establish a project website to publish electronic copies of the project performance reports in lieu of mailing hard copies. This system can be accompanied by e-mail notifications to designated recipients that the associated files are available. Disseminate the reports in their native electronic format; avoid scanned documents or pdf files generated by scanning.

## 4.12 TREND PROGRAM

The trend program is owned by the project leadership structure depending on the contract structure. In general, the project manager owns the trend program and it is implemented and administered by a project controls trend engineer. All members of the project team are key players in the program. All team members are responsible for identifying potential impacts to the project. To the extent the project intends to deviate from any of the trend program standard procedures, these deviations should be documented in this section.

## 4.13 CUSTOMER ISSUES

Describe any unique customer issues, not reflected in Section 4.2, which may affect the execution of the work.

## 4.14 BEST PRACTICES/LESSONS LEARNED

Describe the process to be used at the beginning of the project to solicit and incorporate best practices/lessons learned from the functional departments, including use of the Bechtel Lessons Learned program . Also, describe the process that the project is to use to identify and disseminate best practices/lessons learned to the functional departments, including use of the Bechtel Lessons Learned program.

## 4.15 ENVIRONMENTAL COMPLIANCE PLAN

In many respects, protecting the environment can be a matter of personal attitude. Personal attitudes must not be allowed to influence environmental compliance planning. All parties to project execution—Bechtel, the customer, contractors, (sub)contractors, and suppliers—should be made aware that failure to meet environmental compliance requirements can result in personal exposure to civil and criminal penalties including

Project specific considerations should be listed in this section and the Environmental Compliance Plan (ECP) included as Appendix J. The ECP should include project specific environmental plans for each department, as appropriate:

- Engineering Environmental Compliance Plan


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- Procurement Environmental Compliance Plan
- Construction Environmental Control Plan
- Startup Environmental Compliance Plan

### 4.16 PERSONNEL MANAGEMENT

The project must have a plan for developing and managing resources (people) on project. This plan should define the requirements for the proper orientation of newly assigned personnel to the project, as well as the requirements for project-specific, technical, and on-the-job training. Define the requirements for training records for the functions to implement in accordance with the contract and Bechtel's internal processes for training and development.

The project manager is responsible for establishing the human resources policies and procedures applicable to the assigned personnel, including the assignment conditions applicable to site and other off-project locations.

The project manager, in conjunction with project administration and human resources representatives, is responsible for developing other administrative and personnel policies, including travel policies and procedures. To the extent that the project deviates from Bechtel's policies or approved administrative practices, these should be documented in this section.

## 5. RISK MANAGEMENT PLAN

### 5.1 PRIME CONTRACT RISKS AND MITIGATION PLANS

Provide detailed write-ups for all contract-related issues identified during the risk management process. Examples of risks to consider include those associated with the following:

- LSTK pricing
- Job hours (perform as sold)
- Currency exchange
- Tax and import duties
- Import duties
- Prime contract scope/variations
- Schedule liquidated damages
- Performance liquidated damages
- Force majeure
- Property damage
- Indemnities
- Scope control management
- Insurance/difference in conditions (DIC) (including marine cargo, etc.)
- Subsurface
- Technology


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## 5.2 PROJECT LOCATION RISKS AND MITIGATION PLAN

Provide detailed write-ups for all project location-related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Subsurface
- Local supplier/contractor performance
- Payment
- Political/governmental intervention
- Local pricing/escalation
- Currency exchange
- Complexity of traffic and logistics
- Permits

## 5.3 ENGINEERING EXECUTION AND TECHNICAL RISKS AND MITIGATION PLAN

Provide detailed write-ups for all engineering-related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Schedule
- Plant performance guarantees
- Environmental guarantees
- Technology (new technology, fuel-related, ramp rates, etc.)
- Design (first of a kind, seismic, wind, unfamiliar codes or conditions, marine, areas of perceived weakness, etc.)
- Quantity
- Customer/local agency review
- Execution performance, including AEU

## 5.4 SUPPLY CHAIN RISKS AND MITIGATION PLANS

Provide detailed write-ups for all procurement-related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Vendor design receipt and equipment deliveries
- Traffic and logistics
- Customs clearance
- Foreign content requirement
- Prime contract flowdown
- Pricing for major equipment and commodities

## 5.5 SUBCONTRACTOR AND PARTNER EXECUTION RISKS AND MITIGATION PLANS


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Provide detailed write-ups for all contracting-related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Prime contract flowdown
- Pricing risks of major (sub)contracting relationship versus self-perform

## 5.6 CONSTRUCTION EXECUTION RISKS AND MITIGATION PLANS

Provide detailed write-ups for all construction-related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Limited experience with local practices, or with local contractors
- Licenses and permits
- ES&H
- Hazardous operations
- Craft or (sub)contractor productivity
- Construction quality
- Staffing (crafts, local nationals)
- Weather
- Language/communications barrier

## 5.7 STARTUP EXECUTION AND WARRANTY RISKS AND MITIGATION PLANS

Provide detailed write-ups for all startup/warranty-related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Customer/operator experience
- Post-completion warranty obligation
- Prime contract versus purchase order warranty obligation
- Lead time/availability of critical parts or consumables
- Water quality/availability

## 5.8 CUSTOMER INTERFACE AND RELATIONSHIP RISKS AND MITIGATION PLANS

Provide detailed write-ups for all customer-related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Lack of experience
- Working with a new customer
- Customer relationship and involvement following contract negotiations
- Efficiency of organization
- Financing
- Payment


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## 5.9 ES&H AND SECURITY RISKS AND MITIGATION PLANS

Provide detailed write-ups for all ES&H and Security related issues identified during the risk management process. Examples of risks to be considered include those associated with the following:

- Unique country risks
- Unique country, or site specific, safety practices or skill deficiencies


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## PROJECT SPECIFIC APPENDICES

The intent of the appendices is to aggregate project-specific documents that are too voluminous to be included in the body of the PMP. Appendices shall be cross-referenced to their appropriate main text section(s) for ease of review.

Do not include department or office generic documents, procedures, guides, etc., in the Volume 1 PMP appendices.

All PMPs are expected to include the following appendices. Any additional appendices shall follow these required appendices and shall be identified according to the order in which they are referenced in the body of the PEP.

### APPENDIX A – PROJECT SCHEDULES

Attach project milestone summary schedule(s) as described in Section 2.4.4.

### APPENDIX B – PROJECTORGANIZATION CHARTS

Attach project specific organization charts as described in Section 4.1.

### APPENDIX C – PROJECT CONSORTIUM / JOINT VENTURE DOR

If applicable and as described in Section 3.4, attach a detailed DOR matrix depicting the scope allocation among all partners (this is usually an attachment to the consortium/JV agreement as well).

### APPENDIX D – PRIME CONTRACT COMPLIANCE MATRIX

Attach the project specific prime contract compliance matrix as described in Section 4.7:

Contract Baseline Review and Team Appraisal
Contract Compliance Matrix
Contract Management Responsibilities Matrix
Contract Management Schedule
Contract Management Liability Containment Plan
Pending Items and Change Order Procedure
Team Commercial Awareness Training Plan

### APPENDIX E – PROJECT QUALITY PLAN

Attach a project-specific quality plan as described in Section 4.8. Do not use a generic plan.

### APPENDIX F – PROJECT MATERIAL ASSIGNMENT SCHEDULE

Attach the detailed project specific Material Assignment Schedule as described in Section 2.4.3.2


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## APPENDIX G – PROJECT (SUB)CONTRACT MATRIX

Attach the detailed project (sub)contract matrix as described in Section 2.4.3.3

## APPENDIX H – PROJECT ENVIRONMENTAL, SAFETY AND HEALTH PLAN

Attach the project-specific ES&H plan as described in Section 4.8. Do not use a generic plan.

## APPENDIX I – PROJECT SECURITY PLAN

Attach the project's detailed security plan as described in Section 4.9. This shall include the emergency Evacuation Plan, as well as, an employee contact listing

## APPENDIX J – ENVIRONMENTAL COMPLIANCE PLAN

Attach the project's ECP as referenced in Section 4.16

## APPENDIX K – MEETING PLAN AND REPORTS MATRIX

Attach the project's meeting plan and reports matrix as described in section 4.2.5


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# Appendix D
# Pantex/Y-12
# Uranium Processing Facility
# Transition Plan

# Attachment 2
# UPF Project Management Planning Checklist

March 3, 2014

Consolidated Nuclear Security
Enterprise Management

**UPF PROJECT MANAGEMETN PLANNING CHECKLIST**
**20 December, 2012**

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**PROJECT MANAGER'S CHECKLIST**
**Post-Award or NTP Phase (First 2-4 weeks post-award)**

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| **Handoff – Proposal Team to Project Team** | | | | |
| **Has the following information been requested from the Proposal Team?** | | | | |
| **Request for Proposal** | | | | |
| **Final Proposal** | | | | |
| **Execution Strategy Plan** | | | | |
| **Prime Contract Negotiating Notes** | | | | |
| **Scope of Services Document** | | | | |
| **Project Scope Definition Document** | | | | |
| **Statement of Work by Customer** | | | | |
| **Contract Work Breakdown Structure** | | | | |
| **WBS Dictionary** | | | | |
| **Proposal Cost Estimate** | | | | |
| **Proposal Schedule** | | | | |
| **Proposed Project Team** | | | | |
| **Proposed Project Organization** | | | | |
| **Assumptions, Exclusions, Criteria** | | | | |
| **Applicable Codes and Standards** | | | | |
| **Permitting/Licensing Requirements** | | | | |
| **Proposal Meeting Notes, Q&A, etc.** | | | | |
| **Records of Meetings, Telecons, etc.** | | | | |
| **Environmental/Permitting Issues** | | | | |
| **Division of Responsibilities** | | | | |
| **Other Supporting Information** | | | | |
| | | | | |
| **Is the following information available from the Customer?** | | | | |
| **Project Technical Scope Document** | | | | |
| **Statement of Work** | | | | |
| **Bechtel's Scope of Services** | | | | |
| **Site Information (geology, hydrology . .)** | | | | |
| **Codes and Standards** | | | | |
| **Environmental Requirements** | | | | |
| **Permitting/Licensing Responsibility** | | | | |
| **Schedule Milestones** | | | | |
| **Cash Flow Restraints** | | | | |
| **Design Criteria** | | | | |

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| | | | | |
| **Customer Hold Points/Approvals** | | | | |
| **Final Prime Contract** | | | | |
| **Negotiating Notes/Compromises, etc.** | | | | |
| **Insurance Requirements, who provides?** | | | | |
| **Site Condition Information** | | | | |
| **Borings, Climate, Geology, Hydology** | | | | |
| **Seismology, Terrain, etc.** | | | | |
| **Local Labor Supply** | | | | |
| **Site Accessibility (Heavy Shipments)** | | | | |
| **Identification of other Supporting** | | | | |
| **Organizations not under Bechtel control e.g., Contractors, Joint Ventures, etc.** | | | | |
| **Division of Responsibilities** | | | | |
| **Reporting Relationships/Authorities** | | | | |
| **Site Community/Relations Information** | | | | |
| | | | | |
| **Has a Proposal/Project Team Handoff Meeting been scheduled?** | | | | |
| | | | | |
| **Did the Proposal Team prepare a turnover package for the Project Team?** | | | | |
| | | | | |
| **Were all commitments made to the Customer during the negotiations communicated to the Project Team?** | | | | |
| | | | | |
| **Has the Project Team developed a list of questions prior to the meeting?** | | | | |
| | | | | |
| **Have all of the answers and other supporting information been documented and discussed with the Proposal Team for agreement?** | | | | |
| | | | | |
| **Did the Proposal Team prepare a Project Organization Chart? Identify key Team Members?** | | | | |
| | | | | |
| **Did the key team members participate in the Handoff Meeting?** | | | | |
| | | | | |
| **Has the Project Team studied all the information available?** | | | | |
| | | | | |

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| **Project Management Planning and Organizing** | | | | |
| | | | | |
| **Have the key team members been identified?** | | | | |
| | | | | |
| **Has a project team organization chart been developed?** | | | | |
| | | | | |
| **Has the principal location for the Team been identified?** | | | | |
| | | | | |
| **Has a Project Team Kickoff Meeting been scheduled?** | | | | |
| **Held?** | | | | |
| | | | | |
| **Was all Handoff Meeting information been reviewed?** | | | | |
| | | | | |
| **Has a Team Building session been held to introduce key team members and discuss experience, interfaces?** | | | | |
| | | | | |
| **Has a Planning Team been identified?** | | | | |
| | | | | |
| **Is each Function Represented?** | | | | |
| | | | | |
| **Is each Service Represented?** | | | | |
| | | | | |
| **Has a Project Execution Planning organization chart been issued?** | | | | |
| | | | | |
| **Are responsible people identified?<br>With names, location, telephone?** | | | | |
| | | | | |
| **Are SPOC for each Service identified if not part of the Planning Team?** | | | | |
| | | | | |
| **Has a Planning Schedule been developed?** | | | | |
| | | | | |
| **Has a Planning meeting(s) been held?** | | | | |
| | | | | |
| **Have responsibilities been assigned?** | | | | |
| | | | | |
| **Has the Planning Team reviewed the Project Execution Plan Guidelines?** | | | | |

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| | | | | |
| **Has the Planning Team reviewed all of the material from the Handoff meeting?** | | | | |
| **Statement of Work?** | | | | |
| **Scope of Services?** | | | | |
| **Technical Scope Proposal Schedule?** | | | | |
| **Proposal Budget Risk Assessment?** | | | | |
| **Environmental issues?** | | | | |
| **Execution Strategy?** | | | | |
| **Special issues?** | | | | |
| **Other?** | | | | |
| | | | | |
| **Have Customer expectations, project objectives, mission be explored? Documented?** | | | | |
| | | | | |
| **Has the Proposal Risk Assessment been reviewed?** | | | | |
| | | | | |
| **Has a Project Risk Assessment been prepared?** | | | | |
| **Is it based on Policy 222 Approval Letter prepared prior to bidding?** | | | | |
| | | | | |
| **Has the Prime Contract been reviewed?** | | | | |
| | | | | |
| **Has the Prime Contract Management Manual been reviewed?** | | | | |
| | | | | |
| **Has responsibility been assigned for completing the Exhibits?** | | | | |
| | | | | |
| **Has project ownership/sponsors been identified?** | | | | |
| | | | | |
| **Has a DOR between Bechtel and Owner/Sponsor been prepared?** | | | | |
| | | | | |
| **Have all participants for the project been identified? (Sub)Contractors, etc.** | | | | |
| | | | | |
| **Has a DOR been prepared?** | | | | |
| | | | | |
| **Have approval authorities been identified?** | | | | |
| | | | | |
| **Does it effective Bechtel's normal project execution processes?** | | | | |

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| **Contracting processes?** | | | | |
| **Administrative processes?** | | | | |
| | | | | |
| **Have plans, procedures, etc. been identified to accommodate special circumstances/requirements?** | | | | |
| | | | | |
| **Have key risks been identified?** | | | | |
| | | | | |
| **Has project financing been reviewed? Cash Flow? Other?** | | | | |
| | | | | |
| **Has a project Vision Statement been written? Communicated?** | | | | |
| | | | | |
| **Have project Goals and Objectives been established? Communicated?** | | | | |
| | | | | |
| **Has the Proposal execution strategy been reviewed?** | | | | |
| | | | | |
| **Has the Project Team developed their own execution strategy?** | | | | |
| **Approach?** | | | | |
| **Methods?** | | | | |
| **Schedule logic?** | | | | |
| | | | | |
| **Have Best Practices/Lessons Learned been reviewed? Identified for applicability?** | | | | |
| | | | | |
| **Has project approval authority been identified and approved?** | | | | |
| | | | | |
| **Has the Project Team reviewed the TIC Guidelines?** | | | | |
| | | | | |
| **Are they committed to the principles of TIC?** | | | | |
| | | | | |
| **Project Baseline Development Phase** | | | | |
| | | | | |
| **Have the Project Control tools to be used on the project been identified?** | | | | |
| | | | | |
| **Have training requirements been identified?** | | | | |

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| **Planned?** | | | | |
| | | | | |
| **Has an execution logic network been developed?** | | | | |
| | | | | |
| **Has the project estimate been made?** | | | | |
| | | | | |
| **Has the project schedule been made?** | | | | |
| | | | | |
| **Has a Work Breakdown Structure been developed?** | | | | |
| | | | | |
| **Has the WBS Dictionary been developed?** | | | | |
| | | | | |
| **Has standard Code of Accounts been Established?** | | | | |
| | | | | |
| **Has a staffing plan been developed?** | | | | |
| | | | | |
| **Office/Field profiles, mix, grades?** | | | | |
| | | | | |
| **Has the schedule been resource loaded?** | | | | |
| | | | | |
| **Has the preliminary logic network been loaded into the scheduling software?** | | | | |
| | | | | |
| **Has the WBS been broken down into Control Accounts, Work Packages?** | | | | |
| | | | | |
| **Has a Responsibility Assignment Matrix (RAM) been developed for the WBS?** | | | | |
| | | | | |
| **Has a Responsibility Interface Matrix been developed internal to Bechtel?** | | | | |
| **Lead role, supporting role, approvals** | | | | |
| | | | | |
| **Have assumptions, exclusions, inclusions been documented?** | | | | |
| | | | | |
| **Has the preliminary Project Baseline been reviewed against the "as sold" Contract and commitments?** | | | | |
| **Project Schedule; Budget; Scope of Services; Technical Scope; Responsibilities/DOR** | | | | |
| | | | | |

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| **Have the Functional/Service Organizations reviewed the Baseline?** | | | | |
| | | | | |
| **Have all Functional inputs, if applicable, been incorporated?** | | | | |
| | | | | |
| **Has a Management Review of the Baseline been conducted?** | | | | |
| | | | | |
| **Has the Project Baseline been approved?** | | | | |
| | | | | |
| **Is there a plan and schedule for developing a detailed budget?** | | | | |
| **Hierarchy of Schedules?** | | | | |
| **Quantity takeoffs?** | | | | |
| **Material Assignment Schedule?** | | | | |
| **(Sub)Contracting Schedule?** | | | | |
| | | | | |
| **Is there a plan and schedule for developing the detailed Engineering Plan?** | | | | |
| **Procurement Plan?** | | | | |
| **(Sub)contracting Plan?** | | | | |
| **Construction Plan?** | | | | |
| **Constructability Plan?** | | | | |
| **Environmental Control Plan?** | | | | |
| **Startup Plan?** | | | | |
| **Project Controls Plan?** | | | | |
| **Automation Plan?** | | | | |
| **Prime Contract Management Plan?** | | | | |
| **Change Management Plan?** | | | | |
| **Environmental Compliance Plan?** | | | | |
| **Quality Plan?** | | | | |
| **Safety and Health Plan?** | | | | |
| **Security Plan?** | | | | |
| **Emergency Plans?** | | | | |
| **The Licensing/Permitting Plan?** | | | | |
| **Communication Plan?** | | | | |
| **Public/Community Relations Plan?** | | | | |
| **The Project Closeout Plan?** | | | | |
| **Other Plans?** | | | | |
| | | | | |
| **Has a Trend Program been established?** | | | | |
| | | | | |
| **Has there been a Project Team review of the** | | | | |

| | Yes | No | N/A | Comments |
|---|---|---|---|---|
| **Final Baseline?** | | | | |
| | | | | |
| **Signoff? Commitment?** | | | | |
| | | | | |
| **Has the Project Management Plan been approved? By whom?** | | | | |
| | | | | |
| **Has the PEP been reviewed with the Customer (if applicable)?**<br>**Issue the Project Management Plan** | | | | |
| | | | | |
| **Is there a Plan and Schedule to keep the Plan Up-to-Date?** | | | | |
| | | | | |
| **Follow-on Reviews – Functional Oversight**<br>**Has there been a Readiness Review?** | | | | |
| | | | | |
| **Were key Functional Managers (senior reps.) involved?** | | | | |
| | | | | |
| **Is the project "ready to go?"** | | | | |
| | | | | |
| **Is there a plan for continuous review and update of the baseline?** | | | | |
| | | | | |
| **Project Review Schedule?** | | | | |
| | | | | |
| **Customer Review Schedule?** | | | | |
| | | | | |
| **Is there a Plan for periodic Functional Oversight Reviews?** | | | | |
| | | | | |
| **Is there a procedure/instruction covering Functional Oversight Reviews?** | | | | |

**File: Attachment 2_Annex D_Y-12 Transition_ UPF PMP Checklist.doc**

SECTION J

APPENDIX D

MERGER TRANSFORMATION PLAN

TABLE OF CONTENTS

[Note: To be inserted by the Contracting Officer after contract award.]

# Merger and Transformation Plan

Revision 2

Contract DE-NA0001942

SDN-25680-PLN-00003

*prepared by*
Consolidated Nuclear Security, LLC (CNS)

*prepared for*
US Department of Energy
National Nuclear Security Administration
NNSA Production Office

# Revision Log

| Rev. | Date | Issued for | Changes |
|---|---|---|---|
| **2** | 6-December-2018 | Terminology “true up” to current practice, non-intent change. Also incorporates revisions needed to address NNSA comments provided on October 23, 2018 | |
| **1** | 31-January-2018 | Revision 1 incorporating NNSA comments | |
| **0** | 1-May-2014 | Base Submission | |



*This document contains CNS, LLC proprietary and/or business sensitive information.*

# Table of Contents


1.0 Executive Summary ..... 5

2.0 CNS Approach to Merger and Transformation ..... 6

2.1 Critical Skills Retention and Development ..... 9

2.2 Managing the Transformation ..... 10

3.0 Execution of the Merger Transformation Plan ..... 11

4.0 Governance of the Merger and Transformation Activities ..... 12

4.1 PES Continuous Improvement ..... 14

5.0 Enterprise Risk Management ..... 17

5.1 Enterprise Risk Management Processes ..... 18

5.2 Conducting Risk Analysis ..... 20

5.3 Risk Response ..... 22

5.4 The Aggregation of Risks ..... 23

5.5 Risk Management Tools ..... 24

5.6 Risk Management Governance ..... 24

6.0 Communications ..... 26

7.0 Company Reach Back ..... 26

8.0 Performance Evaluation And Measurement Plan ..... 27

9.0 CNS Approach to Cost Savings ..... 27

10.0 Methodology Used to Develop Projected Cost Savings ..... 31

11.0 CNS Projected Cost Savings and Incentive Fee ..... 32

12.0 Assumptions Used to Develop Projected Cost Savings ..... 35

13.0 The Annual Controlled Baseline and The Baseline Change Control Process ..... 35

13.1 The Annual Controlled Baseline ..... 35

13.2 Current State ..... 37

13.3 Phases in the Development of the ACB ..... 38

13.4 ACB Change Control Process ..... 40

14.0 Incorporating Cost Savings into Ongoing Operations ..... 41

14.1 Institutionalization of Cost Savings ..... 41

14.2 Disposition of Cost Savings ..... 41

14.3 Continuous Full and Open Transparency ..... 42

Appendix 1: MTP Requirements Compliance Matrix ..... 45

# Table of Figures

Figure 1 – NNSA Goals per Solicitation No. DE-SOL-0001458 ..... 5
Figure 2 – Objective Driven Change Framework ..... 7
Figure 3 – CNS Organization Chart ..... 9
Figure 4 – Transformation Phased Approach ..... 10
Figure 5 – Management and Governance of Change Initiatives ..... 13
Figure 6 – Performance Enterprise System Process ..... 15
Figure 7 – Integrated Approach for Cost Savings ..... 16
Figure 8 – Operations, Project and Program Risk Management Process ..... 19
Figure 9 – The Portfolio Risk Management Process ..... 20
Figure 10 – The Probability-Impact Matrix Showing The “Attention Arrow” ..... 21
Figure 11 – Structure of Quantitative Risk Analysis ..... 22
Figure 12 – RRB Relationships ..... 25
Figure 13 – Management Principles for Driving Cost Reductions ..... 28
Figure 14 – Cost Savings Program Reviews ..... 29
Figure 15 - Management Principles for Performance Based Leadership ..... 30
Figure 16 - Performance-Based Leadership ..... 30
Figure 17 – The Performance Based Leadership Toolkit ..... 31
Figure 18 – CNS Processes to Identify Savings ..... 33
Figure 19 – Projected Cost Savings (CNS Contract Proposal) ($K) ..... 34
Figure 20 – Revised Labor Savings Validation Approach ..... 38
Figure 21 – Change Management Process ..... 41
Figure 22 – Architectural Model for the Data Warehouse Environment ..... 44

# 1.0 EXECUTIVE SUMMARY

The Merger Transformation Plan (MTP) describes CNS' approach to the merger of operations at the Pantex Plant and the Y-12 National Security Complex; steps CNS is taking to ensure we maintain critical skills and avoid impact to operations; how we will identify and streamline redundant technical and business operations; and the cost savings that will result from these efforts. The MTP is intended to be a high level document and includes selected elements of CNS' management approach and cost savings which were included in the CNS proposal that was evaluated for award. Further details regarding CNS activities related to the merger and transformation and our comprehensive approach to managing risk will be described in other documents prepared during the contract transition and execution phases. CNS recognizes the significant stakeholder interest in the consolidation of the Pantex Plant and the Y-12 National Security Complex into an integrated enterprise managed under a single contract and the associated potential for cost savings. The MTP is aimed at sharing the underlying methodology, processes, and guiding philosophy with a broader audience, including stakeholders involved in the operations and governance of the M&O contract. The MTP also documents the sharing structure for savings embodied within the original CNS proposal including alternative sharing arrangements that have been proposed by CNS and approved by the Contracting Officer. These alternative arrangements include one-year savings approaches for supply chain and benefits that overcome challenges in the execution of the costs savings program and enhance its benefit to both the Government and contractor. **Appendix 1** presents a crosswalk of each contract-identified requirement for the MTP and the location of each requirement within the MTP.

| NNSA Goals | The CNS Approach "Run it Like Our Business" | |
|---|---|---|
| Improve performance in completion of missions for nuclear production operations | Protect and secure missions | Naval reactors discipline |
| | Revitalize performance | Outsource strategically |
| Transition/merge operations at geographically dispersed centers of excellence under a single contract | Booz Allen evaluation tools | Value stream mapping |
| | CNS team experience | Consolidated virtual organization |
| Reduce the cost of performing work | Culture change driven by proven techniques | Eliminate waste |
| | Match capacity with capability needs | Workforce incentives |
| Require actions that support operations as an integrated DOE/NNSA enterprise | Matrix management to eliminate silos | Redesigned approaches |
| | Enterprise baselines for all levels of the organization | Sustainable delivery of IT solutions |

**Figure 1 – NNSA Goals per Solicitation No. DE-SOL-0001458**

The MTP is a companion document to the Cost Reduction Proposal (CRP), which is submitted and updated separately and includes a description of the specific cost savings initiatives to be implemented. The MTP provides an overview of the cost savings program and includes the timeline of projected savings for the potential 10-year term of the contract. The MTP serves as the CNS guideline to develop its annual savings targets that are implemented through the CRP and the associated initiatives. **Figure 1** identifies the CNS approach to the merger and transformation process, including executing the consolidation of two

sites under a single management structure, transforming site operations to create a more efficient and sustainable enterprise, and practicing continuous improvement.

The MTP is just one of several documents to describe how CNS will execute its cost savings program in partnership with NNSA over the life of the contract. CNS recognizes that the budget, scope, and specific actions to achieve savings will change over time. As such, CNS expects that the MTP will need to be revised periodically as budget and scope changes affect the underlying values and timing which make up the projected cost savings. The MTP will reference a number of other plans, policies, procedures, and tools which will be used to control and modify the baselines as they change over time. These include the Annual Controlled Baseline (ACB), CRP, the CRP Policies and Procedures (and its associated Cost Reduction Initiatives), Enterprise Risk Management, as well as the Change Control Process (and the associated Change Management Council) that will govern changes to these inputs.

CNS is committed to fulfilling expectations set in place by NNSA, including: mission fulfillment, safety standards, schedule compliance, and vigilant security. Additionally, CNS has charged its leadership at the highest levels to bring a sense of urgency to the effort that will foster innovative approaches to increase cost efficiency in serving NNSA. The leadership's cost efficiency goals intend to sustain NNSA operations and solidify the viability of the Pantex Plant and Y-12 National Security Complex for future administrations and national needs, both apparent and unforeseen. As CNS leadership creates the foundation of an organization built to secure NNSA's objectives, they will set in place a top-down structure inculcated with the purpose of honoring those commitments.

# 2.0 CNS APPROACH TO MERGER AND TRANSFORMATION

CNS is a partnership of organizations with shared values and aligned goals. These shared values are embedded in the CNS corporate culture and reflected in its description of the 'four imperatives': safe, secure, zero defects and deliver as promised. As their name implies, these four imperatives are central to the success of CNS and the Pantex/Y-12 merger and transformation, and they are an absolute necessity to satisfy NNSA requirements. As CNS approaches the issue of merger, transformation, and cost savings, these four imperatives are key in achieving not only CNS goals, but NNSA goals as well. This challenge demands an approach that is not just different from the previous management entities, but a superior approach set apart by unmatched expertise and resolve.

CNS recognizes the NNSA vision of operational efficiency, and is committed to streamlining site operations to establish higher productivity and realize lower unit delivery costs without impacting safety and security. To achieve these results, CNS will share resources that are more mobile, use consistent approaches to the maximum extent practical, and install a leadership team that is fully aligned with NNSA goals. Throughout the process, CNS will manage the merger and transformation of the Pantex Plant and the Y-12 National Security Complex without negatively affecting mission delivery.

To enable the merger and transformation activities, CNS is leveraging its corporate capabilities and approaches, including a number of tools and experiences that the CNS partners – Leidos, Bechtel, ATK, Search on Command (SOC), and Booz Allen — have used with success on other contracts and internal corporate initiatives. For example, CNS specifically designed its Performance Enterprise System (PES) by combining the best practices of Bechtel's Lean Six Sigma (LSS) program, Lockheed Martin's Operating Excellence Program (LM21), and ATK's Performance Enterprise System (PES) to create a tailored continuous improvement program for this contract.

Beyond tools, CNS brings a wealth of corporate experience and expertise to run NNSA's production enterprise with the same focus we use to run our businesses. Our confidence is based on the quality of our leadership team and in the success of the process brought by Booz Allen that has been proven in over 600 merger and transformation efforts. This confidence is demonstrated by the fact that Booz Allen is fully incentivized to achieve this end state — it earns its fee only from the CNS share of the cost savings it helps generate. Likewise, CNS is also fully incentivized to deliver the savings and guard against unintended consequences.

Through experience, CNS knows that merging effectively is problematic by virtue of the changes needed in both cultures and business systems. Sustaining initial gains made through the mergers increases the challenge. Studies show that 50% of all merger/acquisitions fail to deliver the established goals. CNS brings extensive merger-transformation experience and has designed a comprehensive approach to keep the organization focused on achieving and sustaining the goals laid out in NNSA's procurement and the vision for the future Nuclear Security Enterprise. Our structured approach will help CNS ensure:

- Merger activities across sites are done thoughtfully and will not only deliver near-term cost savings, but will set the stage for enhanced operational performance and safety that are sustainable.
- Organizations are right-sized to meet the needs of the combined enterprise, and, where necessary, processes are transformed through redesigned work approaches.
- People in the consolidated organization are proactively and positively engaged as critical stakeholders

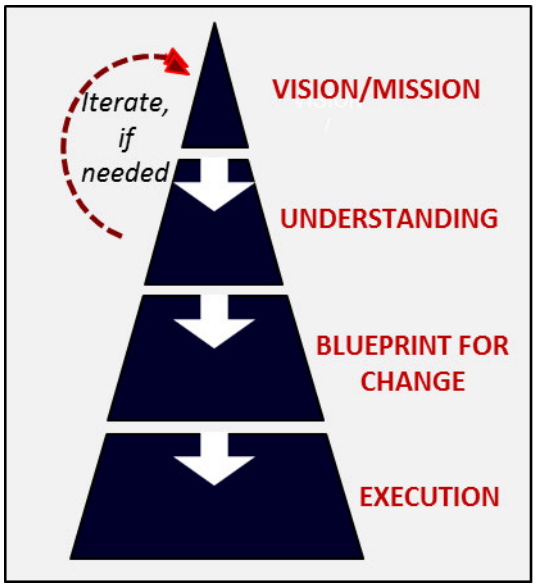


**Figure 2 – Objective Driven Change Framework**

**Figure 2** depicts the Booz Allen Objective Driven Change Framework that CNS will implement to provide rigor and structure to our merger and transformation activities. This approach has been proven on hundreds of post-acquisition mergers and business transformations; each step of the process is supported by a suite of effective tools and guides that support planning, implementation, monitoring, and reporting. The framework includes four logical steps: setting the vision/mission for the desired change, creating understanding and consensus for the change, carefully laying out the blueprint for the change, and executing the change. Most importantly, the framework leads to sustained cost reductions while preserving mission accomplishment because execution of the mission is always the highest priority.

One of the first activities CNS completed under implementation of the Objective Driven Change Framework was the design of the CNS organizational structure. CNS started by setting the goals for the structure that included:

- Keep a strong focus on the missions. The missions are the reason for NNSA, the sites, and the workforce.
- Clearly translate the desires, expectations, and goals of the customer into actionable objectives for every level of the organization.

- Facilitate consistency of approaches across sites, programs, projects, teams, and work groups.
- Enable the merger of the two sites under a single contract, allowing consolidation and cost savings where possible without negative impact to the mission while allowing for future site expansion at NNSA's direction.
- Align authorities with accountabilities to empower decision-making at the lowest effective level.
- Increase employee engagement to achieve organizational goals such as efficiency; continuous improvement – enhanced security, upgraded safety, enriched quality, and compliance; and maximize value to the customer.

During this vision and mission stage, CNS set a critical standard by identifying the most advantageous and realistic future state of the organization. CNS has examined necessary criteria such as the capabilities demanded and finances required for the future organization. A coherent baseline was established and gaps from the current position to the future position were interpolated. This will allow CNS to ensure that a proper mix of crucial skill sets remain throughout the merger to maintain continuity, uphold current obligations, and ensure the viability of future work.

The organization, as shown in **Figure 3**[1], drives efficiency through a matrix structure. The organization is built around a core of Mission Delivery (i.e., Pantex and Y-12 Operations) with staffing tightly controlled in these areas to mitigate any risk to safety, security, and quality. The supporting organizations are right-sized to ensure that Mission Delivery is fully enabled to perform, have the requisite security in place, and have appropriate oversight to ensure all requirements are met. Because of their importance, we are making minimal changes to Mission Delivery Organizations under the consolidated contract. In future years, in cooperation with NNSA and drawing on the full knowledge of the incumbent workforce, we will use value stream mapping to delineate each step of each mission, handoffs between sites, overlapping responsibilities, and interactions with the design labs. We will then identify which support and oversight functions "touch" those value streams and how they contribute to success. This approach will enable us to recommend additional cost savings initiatives that will take transformation to the next level by optimizing the direct mission value stream.

[1] Since the organizational structure is subject to change, the key elements that will remain relatively consistent are the executive-level structure and their secondary-level structures (e.g. Mission Engineering, Mission Assurance, etc.). The tertiary structure may be subject to change as staff continue to transition and management is finalized; for example, Ethics and Internal Audit were previously organized under Mission Assurance but now stand independently.

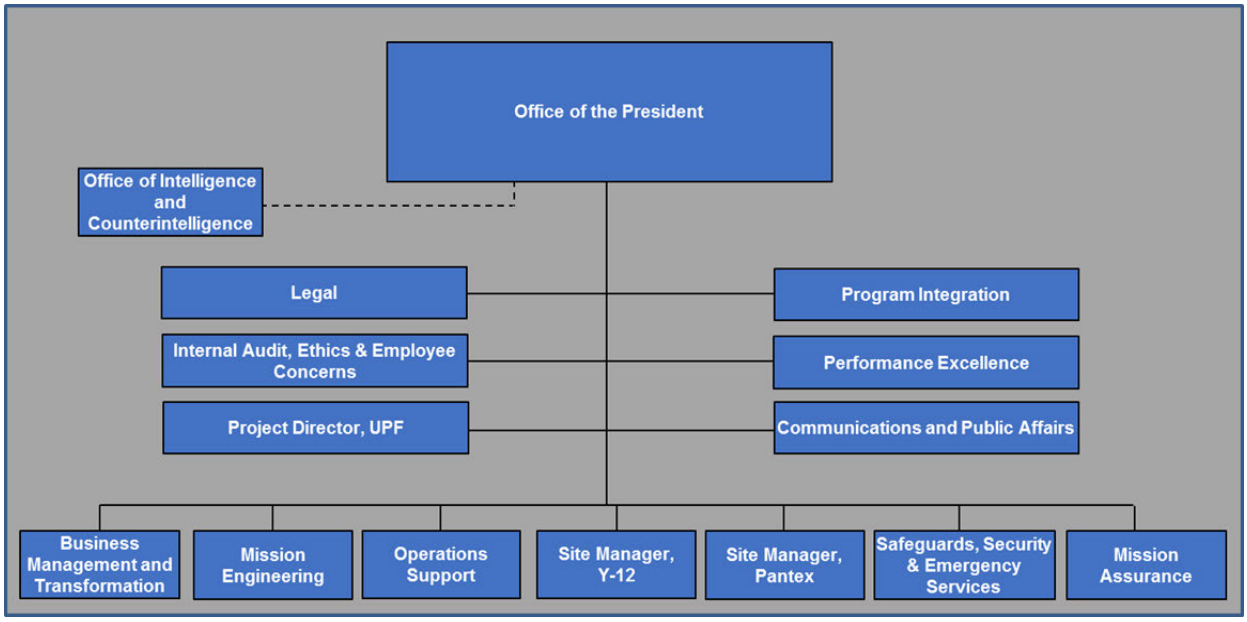


**Figure 3 – CNS Organization Chart**

As previously noted, there will be zero negative impact to the mission given the design of the CNS approach to merger and transformation. Central to this mission-oriented objective is developing and retaining critical skills. The ***CNS Staffing Plan***, submitted April 8, 2014, provided our initial approach to ensure that we will at all times have the skills needed to accomplish the mission of the Pantex and Y-12 sites. This Staffing Plan described the process and criteria by which CNS has identified current and future skill sets to achieve the mission and goals of NNSA and CNS. This ongoing process will operate in concert with the annual ACB process and merger and transformation activities to ensure that the critical skills necessary to maintain capabilities are not adversely impacted by the transformation and cost savings efforts.

## 2.1 Critical Skills Retention and Development

CNS will ensure that critical skills necessary to maintain capabilities are available consistent with contractual Statement of Work Requirements. CNS defines Critical Skills as the skills required to support the unique DOE mission that, based on market demand, are difficult to recruit, retain and/or develop. CNS identifies and tracks all skills using the Common Occupational Classification System (COCS) in accordance with DOE O 350.1 Contractor Human Resources Management Programs, and Federal Register, Vol. 61, No. 44, p. 8600.

The Commission on Maintaining United States Nuclear Weapons Expertise (a.k.a. “Chiles Commission”) submitted a report in compliance with the National Defense Authorization Acts of 1997 and 1998. These acts directed us to “Develop a plan for recruiting and retaining within the Department of Energy (DOE) nuclear weapons complex such scientific, engineering and technical personnel as the Commission determines appropriate in order to permit the Department to maintain over the long term a safe and reliable nuclear weapons stockpile without engaging in underground nuclear testing.” CNS accomplishes this through workforce planning with an emphasis on critical skills as defined above.

CNS recognizes that the workforce, including its composition and capabilities, is an essential component of the nuclear production sites and the national asset that they represent. CNS uses a strategy for identifying the appropriate skill mix needed to accomplish current and future mission

work and has established a variety of methods to attract, recruit, develop and retain those skills. This strategy features the development of organizational baselines and staffing models to better define and document the skills necessary for accomplishing the mission. The strategy also includes the development of increasingly sophisticated attrition models to inform the planning and transformation efforts. This comprehensive planning provides a dynamic map to workforce restructuring, realignment, staffing, and employee development. CNS continues to partner with universities and military job fairs to provide a pipeline for the critical skill needs for future missions. In addition, compensation and benefits are monitored to stay competitive for talent in the lean technical market.

## 2.2 Managing the Transformation

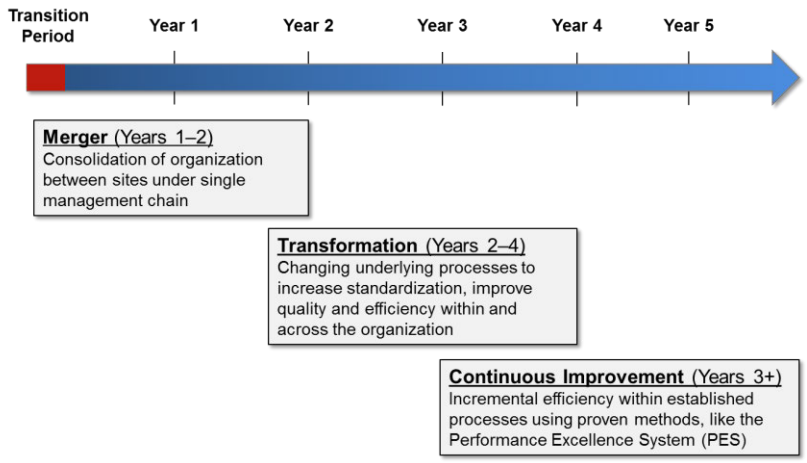


**Figure 4 – Transformation Phased Approach**

In order to build a consensus around the transformation vision, CNS is developing a case for the changes necessary to enable the organization's long term viability and success. As shown in **Figure 4**, these changes follow a logical sequence of activities related to the merger of the sites (Years 1-2), transformation of the underlying business processes (Years 2-4), and continuous improvement initiatives (Year 3 and beyond). As part of the contract transition activities, CNS socialized necessary organizational changes with stakeholders (including regulatory interfaces) and translated the vision into specific targets that can be communicated to managers and staff. CNS will maintain relationships and regulatory interfaces and recognizes the importance of assuming responsibility for permits with local, state and federal entities, and other DOE offices. The CNS leadership structure has identified its regulatory interfaces, has engaged in dialogue during the Transition Phase, and will continue to interface during contract operations. If disparity exists between the vision and mission and these understandings, CNS will iterate to further develop the vision and mission, creating consensus and eliminating potential obstacles to implementation of the cost savings program.

As the vision and mission are socialized and consensus is developed within the organization, a blueprint for change emerged that supported the development of the initial CRP submitted upon contract turnover on July 1, 2014. This blueprint for change serves as an internal management tool to help understand how the future organization will operate, what new capabilities will be built, how financial targets will be accomplished, and how the accomplishments will be measured. The future organization will be appropriately equipped and resilient to meet the demands inherent in its operational ecosystem. This blueprint will illuminate steps the organization's management must take toward accomplishing its goals.

The blueprint shows how CNS will perform short-term re-engineering of business processes to ensure that all commitments are honored through the transformation. To complete the transformation, CNS will lead a long-term restructuring process to permanently equip the organization for success. Through execution and for the duration of the contract, CNS will track the organization's accomplishments. The accomplishments will create substantial increases in the organization's financial capabilities and operational efficiency, which will allow CNS to reduce costs in line with NNSA goals and the cost savings proposed by CNS in response to Solicitation No. DE-SOL-0001458. These efficiencies will be formally documented by Cost Reduction Initiatives (CRIs) and their associated activities to provide transparency and traceability of savings to the NNSA.

CNS also brings a vast reach-back capability to engage specialists and experts from parent organizations to address specific issues within multiple fields of expertise. This commonality lends itself to a greater leveraging of commercial best practices where the corporate experience of the CNS companies can be leveraged. CNS recognized this opportunity and installed a management team with a powerful blend of NNSA and commercial expertise and experience. Through the combined experience and networks of these leaders, CNS will be proactive in bringing the appropriate corporate capabilities and resources to enhance mission delivery and fulfill CNS' commitment to run the sites like a business. Further, CNS has established a corporate Board of Managers with senior executives from the parent companies to ensure that these commitments are met. The parent-companies of CNS are poised to augment CNS with additional resources to cover high-demand periods during the contractual period of performance. These resources are proven effective through the parent companies' multiple diverse contracts, both historical and ongoing.

In addition, CNS intends to install a Technical Advisory Board (TAB). The TAB serves as an independent resource to advise the CNS on strategic direction, formation of a more effective production enterprise, nuclear production challenge resolution, and risk assessment.

# 3.0 EXECUTION OF THE MERGER TRANSFORMATION PLAN

As noted above, the MTP includes the timeline of projected cost savings and serves as the basis for developing the CRP for the contract. CNS has developed and provided annual updates to the CRP and will continue to do so at least annually through a formal Change Control Process (CCP). The CRP will include information about the Cost Reduction Initiatives (CRIs) that CNS proposes to execute during the upcoming year in order to meet or exceed the saving targets proposed in the MTP. These CRIs will be progressively elaborated throughout the year as part of the trimester reporting process.

The basis of the cost reduction activities are the individual CRIs that describe the actions and expected savings outcomes undertaken by CNS. CNS provides annual revisions to its CRIs as part of the CRP process. If individual CRIs are not approved for execution, CNS will re-examine the CRIs in question and re-submit revised and/or additional CRIs to make up the shortfall. CNS anticipates that it can successfully iterate the CRI process as needed if some initiatives are not implementable because our current savings estimates are conservative in nature and do not yet capture all of the savings potentially available to NNSA. Should alternative initiatives not be sufficient or timely enough to generate the necessary savings, CNS may seek adjustments to the overall projected savings. Such changes would require agreed upon adjustments to the cost savings curve as well as the CSIF table (and associated share and duration assumptions). CNS also expects that changes in the ACB, in terms of budget or scope, may also require revisions to the MTP on a periodic basis.

It is also understood that there is inherent risk in execution of a CRI and that CNS and NNSA both own this risk. Such elements of risk may be incurred during:

- Implementation of the CRI
- Determination of the cost of implementation
- Ability to demonstrate savings

CNS understands that such risk makes the Enterprise Risk Management process (outlined in Section 5) as well as governance of the merger and transformation activities even more critical.

# 4.0 GOVERNANCE OF THE MERGER AND TRANSFORMATION ACTIVITIES

Since we will have multiple merger and transformation initiatives staged for implementation or in the process of being implemented at any particular time, CNS created a system of management and controls in the stewardship of the organization. Governance will foster trust and confidence between NNSA and CNS by creating shared expectations, appropriately delegated authority, and accountability. Governance processes will be consistent with defined contractual requirements and NNSA governance documents, focusing on transformation activities that maximize the ability to complete the mission in a way that ensures effective and efficient stewardship of the taxpayers' money. These governance processes will streamline operations and reduce costs to maximize mission accomplishment through a common understanding of expectations and performance accountability, supported by a strong Contractor Assurance System (CAS). Governance teams include the Change Management Council (CMC), Organizational Health Review (OHR), Strategy Council, Leadership Council, Resource Council (RC), Risk Review Board (RRB), and Executive Leadership Team (ELT). These teams ensure alignment of objectives among CNS organizations and with the CNS Business Strategy; accommodate planned and emergent changes to federally supplied funding; ensure CRIs are individually and collectively consistent with CNS safety, security, mission delivery and quality expectations; and seek continuous improvement in CNS cost efficiency. The teams control the coordination, governance, configuration management, and change control of all processes. They deliver a common framework for all documentation for a simplified "single-process" approach. Not only do the governance teams approve individual cost savings plans, they also look for potential synergies and conflicts between multiple efforts and protect against unintended adverse implications that might result from implementation of the initiatives. When CNS accepts an initiative and it is approved through the NNSA scope authorization process, line management takes the actions needed to accomplish it without negatively impacting the mission.

The RRB meets periodically to review risk mitigation plans and assess the impact of ongoing initiatives on the safety, quality, and productivity of the consolidated organizations. OHR meets monthly to provide organization status including risk mitigation, project execution, coordination with other NNSA sites, as well as reviewing top level organization metrics. CNS currently has governance charters, policies, and procedures in place for managing cost savings. In the latter years of the contract CNS will pursue ISO 9001-compliant tools allowing the RRB to monitor and control process drift, perform regular follow-up, and provide risk-informed oversight. NNSA is encouraged to participate in most CNS governance and oversight meetings to provide the customer perspective.

CNS plans to use the CMC as the primary governance mechanism for reviewing and approving scope changes and the Resource Council for cost savings initiatives. However, CNS also recognizes that there may be circumstances where urgent scope changes may need to be implemented in advance of the CMC meetings and approval process. In such circumstances, CNS will account for changes by identifying whether the change was directed by CNS or NNSA and, if NNSA directed the change, CNS will document the name of the individual that provided direction.

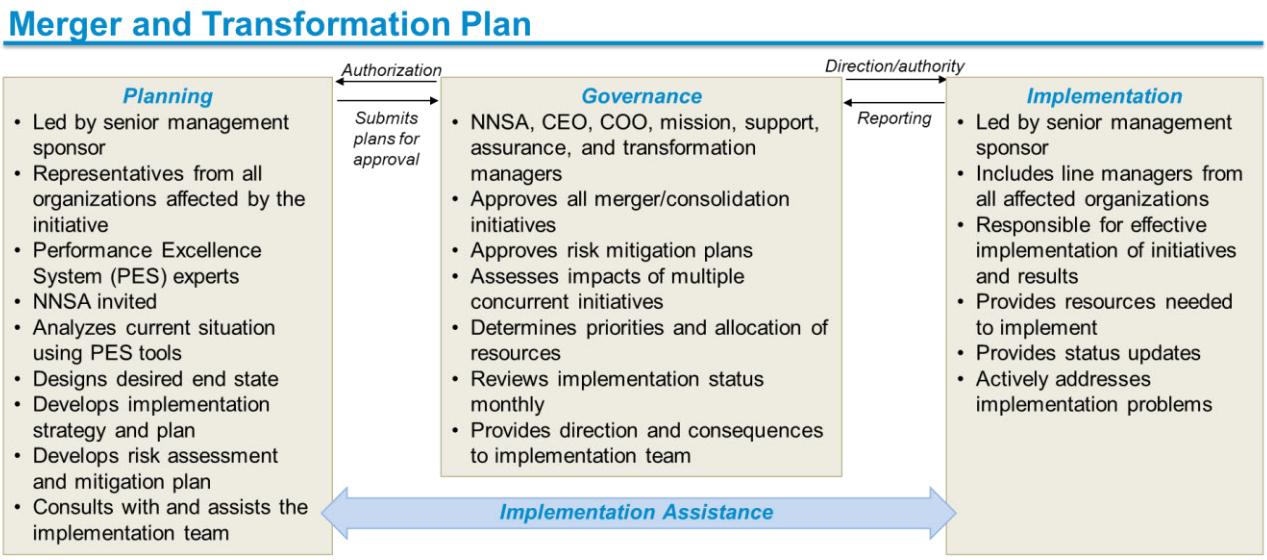


**Figure 5 – Management and Governance of Change Initiatives**

This information will be made available to the Contracting Officer. Changes credited to the Government that are unsupported may be a basis for rejection.

CNS uses a graded approach to managing initiatives based on the complexity, scope, risk, and timing of each initiative. Initiatives with broader reach across the enterprise and greater risks of implementation will receive greater involvement and oversight from the OHR and RRB and a greater allocation of resources for planning and managing the initiative. In all cases, the same tools are used—the Performance Enterprise System (PES is an enterprise-specific continuous improvement program) tools and the experts available through the Transformation organization will bring process discipline and the outside perspective that we have found is needed to ensure that planning and implementation lead to real and permanent cost reductions.

CNS recognizes that it is not cost effective or appropriate for NNSA to review every Baseline Change Request (BCR), so changes exceeding a certain threshold will be submitted to NNSA for review. The approval process with NNSA is included in the NNSA Cost Savings Program Process, Procedures and Requirements for Contract DE-NA0001942 Clause I-19 Cost Reduction NPO-Desk-Aid-006, Rev. 0 dated January 2017. The NPO Desk Aid expands upon how CNS will work with NNSA to meet the requirements outlined in I-19(e) of the contract.

To implement the initiatives we have identified, as well as any identified in the future, we will use the process defined in **Figure 5**.This process recognizes that there have been and probably will be different groups developing and implementing merger/transformation ideas. Our Performance Excellence organization serves as liaison and intermediary between these groups. The figure shows how these planners, implementers, and change managers work together to ensure that we deliver on our transformation goals without creating unintentional conflicts or impacting performance in other areas. Our merger and transformation initiatives are managed within the various CNS organizations with clear lines of responsibility and accountability.

The vice president equivalent or their designee in each CNS organization assesses the current situation, designs the desired end state, develops the implementation strategy and plan, and develops the risk mitigation plan for the initiative. The risk owners work with the Performance and Risk Management organization to assess the adequacy of the risk mitigation plan and minimize the

potential for concurrent initiatives to affect the ability of the enterprise to execute its mission safely and securely.

## 4.1 PES Continuous Improvement

Performance Enterprise System (PES) is CNS's strategy to drive improvement, efficiency, and cost savings across the organization. The PES model relies on a strong sense of **Enterprise Alignment** achieved by a strategy deployment focused on delivering **Customer Value** and **Business Results**. Execution translates goals and objectives into actions and metrics at every level of the organization while providing for regular structured follow-up and escalation. The following are the key components of the PES program which are detailed in this section:

- Bottoms-up Responsibility
- Lean Six Sigma (LSS) Office Roles and Responsibilities
- Mission Area Roles and Responsibilities
- Tailored Communication and Deployment
- PES linkage with the MTP/CRP

As part of its strategic deployment, PES connects with the CNS strategic objectives and the annual Cost Reduction Proposal to ensure flow down of goals and objectives. Its mission is focused on engaging employees in order to identify, refine, and implement process improvements to deliver customer value with uncompromised safety, security, and quality. PES is evolutionary to existing strengths at Pantex and Y-12, and yet is unmistakably capable of providing a framework to engage the entire organization to deliver on continuous improvement commitments. PES provides an approach to help achieve near-term transformation goals (integration and cost-efficiency as provided in the MTP/CRP) and long-term, sustainable continuous improvement. The effective deployment of PES across the CNS enterprise, coupled with existing improvement methodologies, will enable CNS to identify and proactively address opportunities to streamline processes and eliminate redundant technical and business operations.

While PES utilizes Lean Six Sigma (LSS) methodologies to identify, evaluate, define, and implement process improvement, from a strategic perspective, it functions as one CNS system and one CNS voice with all employees at the center of the model engaged in continual improvement of their work in collaboration with leadership and supported by LSS experts. Through the engagement of employees and with the use of expert LSS facilitators, as well as LSS tools and workshops, CNS will identify cost reduction and efficiency improvement opportunities, as well as facilitate integration of plant-specific processes into single enterprise-level processes. CNS will coordinate, launch, and manage improvement projects that include Value Stream Maps (VSMs), Kaizens, Rapid Improvement Activities, and business cases to drive improvements and integration across CNS. The LSS facilitators will use appropriate tools from their toolkits, regardless of the source. The approach and tools are to be applied in an optimal manner based upon the scope to be accomplished.

The PES program will maintain the same Y-12/Pantex expert resources (e.g., the Master Black Belt, Black Belt, and Yellow Belt facilitators) while enabling employees to have the proper authority and additional ability to improve their work. Cross-functional and cross-plant Continuous Improvement (CI) teams will be utilized to ensure the correct process performers and stakeholders are involved in arriving at an optimal solution. These teams are assembled at the discretion of line management (at various levels) to address challenges faced by the workforce (i.e., completion of merger/transformation tasks, achieving cost efficiencies, safety/security/quality enhancements, and time/waste reductions). The CI team participants will be determined by the scope and complexity of the task. The tasks will have a defined starting point and ending point to enable team members

and line management to measure the success of the initiative. The team will analyze the current situation/process, determine changes that are needed, and present the results to affected line management for approval. Implementation responsibility rests with line management (who owns the process and resources for change). The use of CI teams empowers line management, at all levels, to meet their assigned mission delivery goals while reducing costs to accommodate challenging budget targets.

Business leaders will be used as a key resource for employees such that they will be able to remove old and new process obstacles in order to improve their work life. Essentially, PES is a mental model on how staff will think about and act to improve their work while doing their work, and, ultimately, while being recognized for their efforts. See **Figure 6** for a visual depiction of this approach. It is continually driven by CNS employees, stays in alignment with CNS's strategic vision, and self identifies improvement opportunities. **Figure 7** illustrates the integrated approach for cost savings.

**Figure 6 – Performance Enterprise System Process**

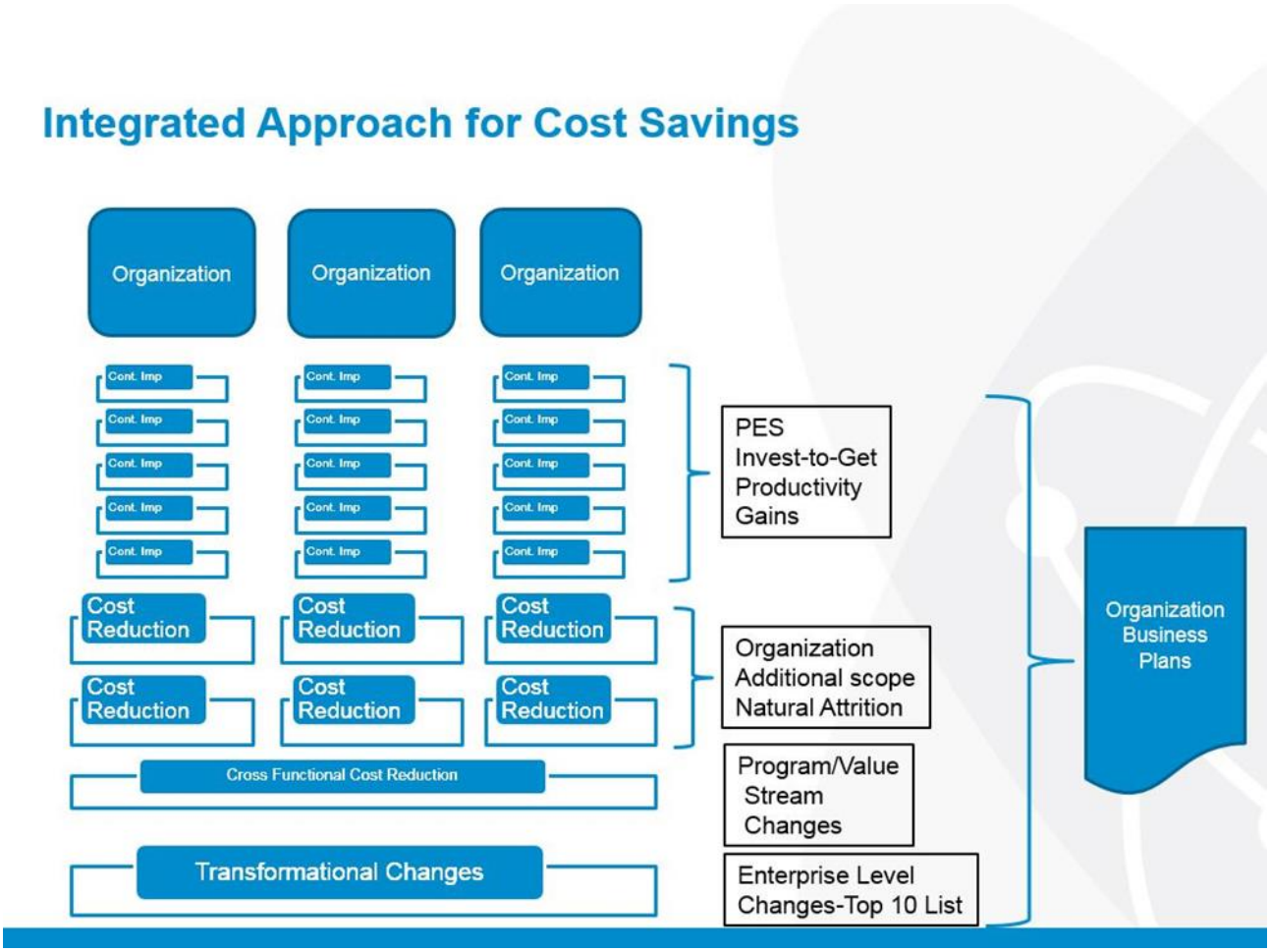


**Figure 7 – Integrated Approach for Cost Savings**

The LSS Office will develop intellectual capital and build standardized yet flexible structures and processes to not only launch and lead improvement efforts independently, but also to assist business leaders in executing their individual CRIs and other operational improvement efforts[2]. Moreover, it leverages current "Best-Practice" corporate tools and processes taken from all of the CNS partners. CNS will institute a Fellowship Program, as described in the proposal, which will engage our employees in expanding their horizons, provide exciting opportunities for growth, expose them to new ways of getting work done, and spike the organization with change agents.

Relevant and verifiable metrics will be used from inception to completion in order to promote continuous evaluation to identify merit, track progress, and establish visibility. The traditional use of only "output" metrics, such as "tasks completed," will be expanded. Both "Quality" and "Performance" metrics will be developed which not only focus on "outputs," but also focus on inputs as well as leading indicators to better mitigate issues before they impact final production. In addition to the traditional simple "count" metrics, "efficiency" metrics will be developed not only to manage the volume of work and production, but also to show how efficiently CNS works. This is critical to understanding our true performance levels.

[2] The CRP Policies and Procedures document provides additional explanation on the linkage between PES and implementation of the CRIs.

To encourage immediate "buy-in" from the CNS stakeholders and workforce, metrics, target baselines, incentives, training, etc., will be used to facilitate a bottoms-up approach in order to encourage employees to engage in the PES program. In the future, PES will generate support by training staff to ensure they are prepared to collaborate in the improvement process. For example, staff at all levels will be encouraged to complete appropriate LSS training for their specific position and then collaborate with their leaders and team members to actively search for improvement opportunities while ensuring mission success. Successful LSS projects and events will be celebrated throughout the organization and institutionalized and replicated across not only the individual locations, but across both Pantex and Y-12, where possible, so that the organization learns as quickly from one another.as possible. In addition, a program for collection, disposition, and execution of employee improvements for cost efficiencies and removal of frustrations will be employed.

While PES will be critical to continuous improvement and alleviating roadblocks to efficiency, it should be noted that there is a significant organizational culture aspect to PES. The LSS Office will work closely with senior leaders and stakeholders at all levels. LSS will provide reach-back support for mission efforts as well as other pro-active support such as conducting formal LSS training, conducting informal brown-bags and workshops, and leveraging all-hands meetings and other forums to keep the organization energized, focused, and involved in driving improvements. PES will encourage employees to engage in the program at many different levels of effort (LOE), allowing them to be trained in the continuous improvement concepts and take ownership for their ideas. Ultimately, at the end of the improvement projects, results will be shared with all participants, employees, and stakeholders, ensuring transparency in the program. As the program is executed, it will influence organizational culture by emphasizing elements such as employee/wellness initiatives, facility improvements, special recognition awards, etc. showing a true cadre of employee focus and process improvement.

In order to execute PES and ensure that all parties are engaged, a comprehensive deployment approach continues to be refined. To ensure a consistent message tailored to target audiences in all parts of the organization, various methods are being utilized to share PES information and successes such as leader communications, all hands messages, FAQs, SharePoint sites, newsletter articles, project updates, and customer communications.

# 5.0 ENTERPRISE RISK MANAGEMENT

CNS is aware that the merger of operations at the Pantex Plant and the Y-12 National Security Complex, the streamlining of technical and business operations, and implementing a cost reduction program could increase the likelihood or consequence of an adverse outcome. CNS's Enterprise Risk Management Office (ERMO) is actively engaged with risk owners and stakeholders to proactively, and continuously manage these threats, while at the same time identifying and exploiting opportunities to improve operations, enhance mission accomplishment, and achieve cost savings.

ERM processes are intended to deliver improvements in the following business categories.

Efficiency

- More efficient utilization of limited resources due to standardized processes, standard tools, and matrix management
- Focus on lower cost prevention strategies rather than higher cost reaction strategies
- Reduced likelihood of operational loss

Decision Making

- A more realistic view of risk due to a focus on the interrelationship and interdependency of many risks as opposed to single, isolated risks
- Improved decision making, planning, and prioritization through the use of Risk Based Decision Making
- The ability to aggregate and disaggregate risk supports cost-benefit and other analyses

Communications

- Fewer surprises (more predictable) due to the proactive management of threats and opportunities
- Rapid notification of emerging risk through a formal escalation process
- Rapid assessment of risk profiles through standardized reporting

Planning

- Assisting organizational management to understand the potential severity of risks, and to develop focused response plans in line with the organization's risk appetite and tolerance
- Improved contingency planning to guide the organization through crisis should a high impact event occur
- Reduced crisis management and firefighting

Performance

- Improved return on investment by placing emphasis on the identification and management of opportunities
- Reduced probability of poor organizational performance

As powerful as ERM is, it is important to remember that it is not a crystal ball.

The risk management process will be fully integrated into CNS baseline management. Risk shall be a standard topic in all progress review meetings, ensuring constant management attention, action, and visibility to CNS and NNSA management.

Organizational managers are accountable for owning the risks that affect their work scope responsibilities and for systematically working to reduce or eliminate threats and realize opportunities.

When only the word "risk" appears, it is implied that both components of risk are included – threats and opportunities.

## 5.1 Enterprise Risk Management Processes

CNS's ERM processes are compliant with the ANSI (American National Standards Institute) national standards for risk management, project management, program management, and portfolio (enterprise) management. These standards have been developed in collaboration with industry practitioners from around the globe, based on current trends and practices that make their organizations successful. The output of this collaborative process is the documentation of currently recognized "best practices".

### 5.1.1 Operations, Project and Program Risk Management

The risk management process that will be employed for operations, projects and programs is illustrated in **Figure 8**. Each process is further elaborated in CNS Enterprise Risk Management Command Media.

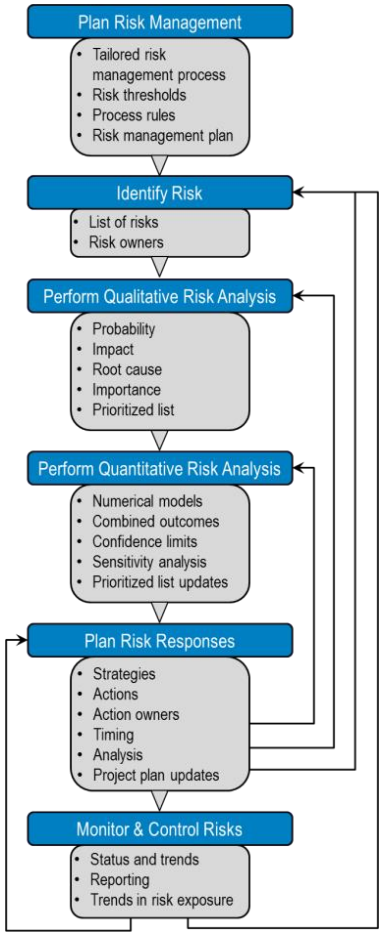


**Figure 8 – Operations, Project and Program Risk Management Process**

The emergent nature of risk requires the risk management process to be iterative in nature. During the "Plan Risk Responses" phase it may be necessary to return to earlier process steps due to the likelihood of residual risk after risk response is employed.

## 5.1.2 Portfolio and Enterprise Risk Management

The Enterprise Risk Management Office (ERMO) will also facilitate the management of risks at the portfolio level. While a program or project is concerned, for the most part, with risks and issues that arise inside the specific program or project, portfolios are concerned with (1) maximizing financial value of the portfolio, (2) tailoring the fit of the portfolio to the organizational strategy and objectives, and (3) determining how to balance the programs and projects within the portfolio given the organization's capacities and capabilities. The objectives of Portfolio Risk Management are to increase the probability and impact of positive events and to decrease the probability and impact of events adverse to the portfolio value, the strategic fitness of the portfolio, and the balance of the portfolio. The portfolio risk management process is illustrated in **Figure 9**.

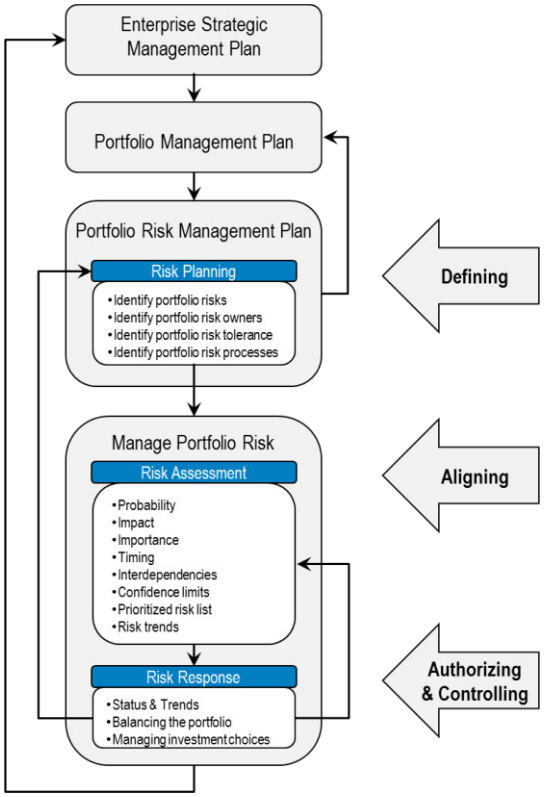


**Figure 9 – The Portfolio Risk Management Process**[3]

## 5.2 Conducting Risk Analysis

Risk may be analyzed using a number of qualitative and quantitative assessment tools and techniques. Qualitative analysis is generally performed on all risks. In some cases, depending on the nature and severity of the risk, and the availability of risk data, qualitative analysis may be excluded in favor of quantitative analysis.

Qualitative risk analysis is the process of prioritizing risks for further analysis or action by assessing and combining their probability of occurrence and impact. After the qualitative risk analysis is complete, a qualitative prioritization will be done using a probability–impact (PI) matrix, scored using ERM Process Description E-PROC-0025, and the PI Matrix format shown in **Figure 10**.

The individual cells of the risk matrix are assigned a risk score, which is used for risk prioritization. Risks are also prioritized according to the colored severity bands to which they belong – red, yellow and green.

[3] The Project Management Institute, The Standard for Portfolio Management, Third Edition, (Newtown Square, PA: Project Management Institute, 2013), p. 121

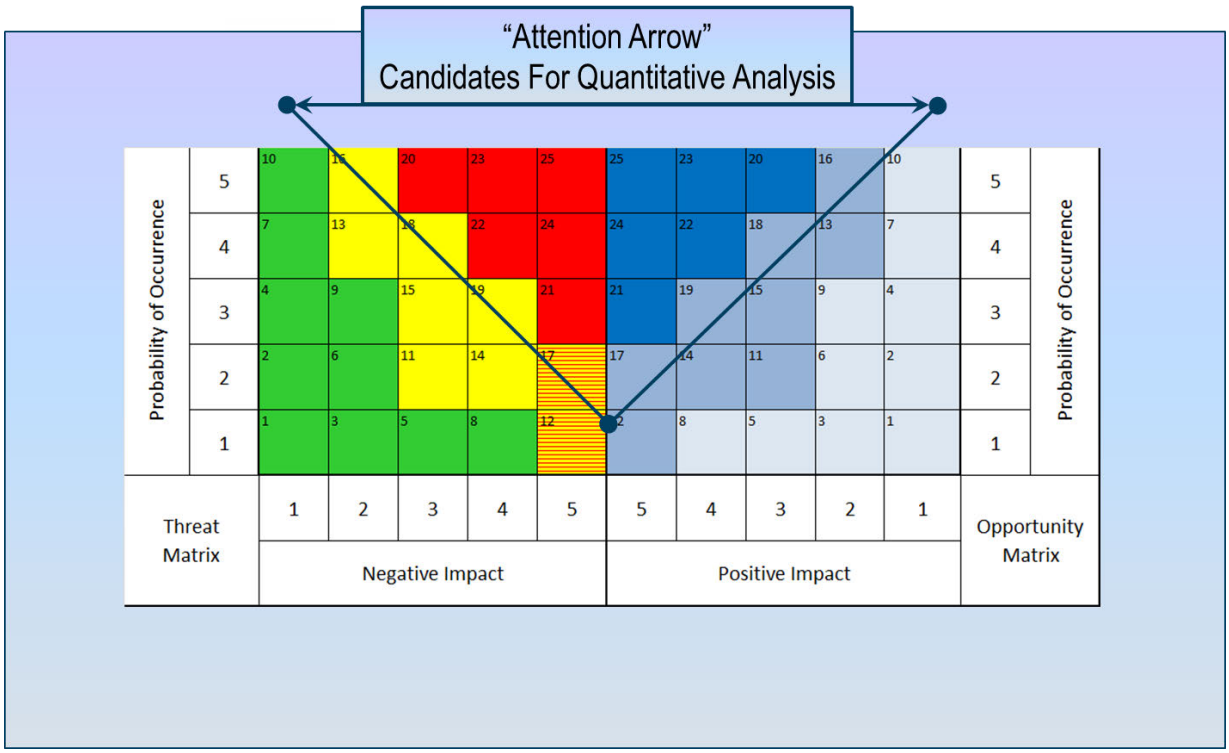


**Figure 10 – The Probability-Impact Matrix Showing The "Attention Arrow"**

The PI matrix is a fast and relatively inexpensive technique for establishing priorities, but it is a blunt tool that does not always accurately represent risk.

For those threats and opportunities that are found inside the "Attention Arrow" at the center of the matrix (see **Figure 10**), it is recommended that a more accurate, more extensive quantitative risk analysis also be conducted. Quantitative analysis is not warranted for risks that are not in the Attention Arrow. Most of these risks will be "accepted" (refer to section 5.3) and monitored for change.

A mitigation plan is developed for each risk which is not avoided, transferred or accepted (refer to section 5.3). In like manner, opportunities shall have a plan for exploitation. Low probability, high impact threats (e.g., risk score of 12 and 17 on the PI matrix in **Figure 10**) should not be dismissed as requiring no further action, due to the low probability of occurrence. Because of the severity of the impact that these risks present, development of a contingency response plan should be considered, as well as additional quantitative analysis.

The Qualitative Risk Analysis should answer the following questions.

- What is the risk?
- Why might it occur?
- How likely is it? (probability)
- How bad/good might it be? (impacts)
- Does it matter?
- What can we do?
- When should we act?
- Who is responsible?

### 5.2.1 Quantitative Risk Analysis

Quantitative analysis is performed on risks that qualitative analysis indicated as having the potential to substantially impact organizational objectives.

The structure of quantitative risk analysis is illustrated in **Figure 11**. Quantitative techniques include but are not limited to the following:

- Utility theory
- Decision trees
- Sensitivity analysis
- Force field analysis
- Statistical simulations (Monte Carlo analysis)
- Failure methods and event analysis

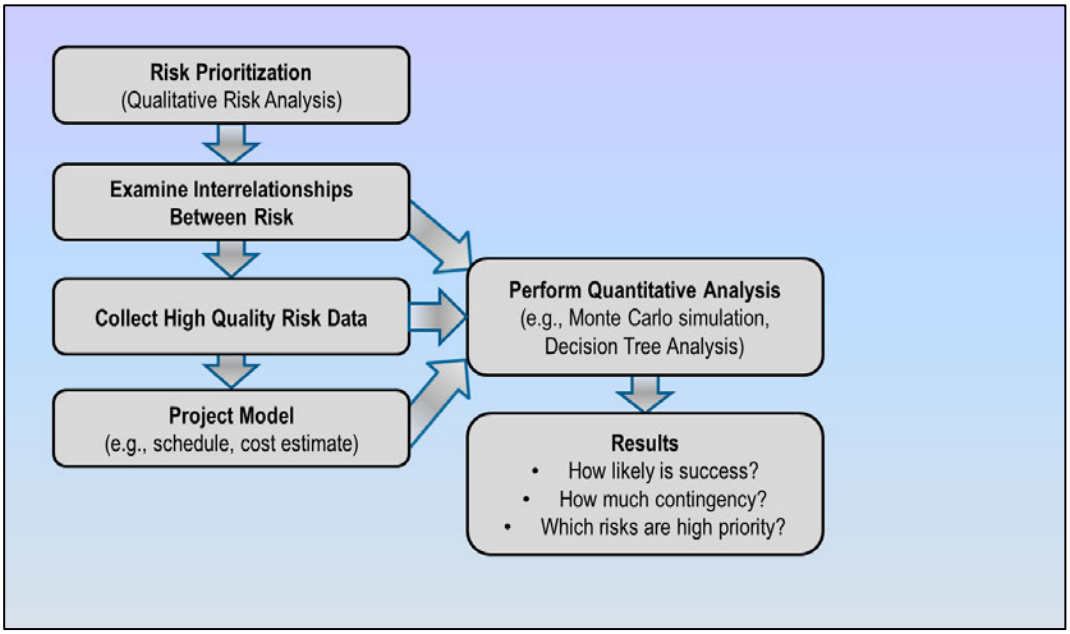


**Figure 11 – Structure of Quantitative Risk Analysis[4]**

## 5.3 Risk Response[5]

A risk response strategy will be developed for each risk. Strategies for threats (negative risks) include:

- **Avoid**. Risk avoidance may be the most cost-effective strategy. It is most effectively developed during the early phases of the program or its components.
- **Transfer**. At the program level, risk interdependencies make the transfer of risk problematic. Careful evaluation for intentional exclusion or risk, or unintentional inclusion is necessary.
- **Mitigate**. Taking early actions to reduce the probability and impact of the risk on the program.

[4] Practice Standard for Project Risk Management, p. 41

[5] Project Management Institute, The Standard for Portfolio Management – Third Edition. (Newtown Square, PA: Project Management Institute, Inc., 2013), 208

- **Accept**. Some risks cannot be eliminated or addressed through a viable strategy. These risks may require acceptance by not acting and dealing with the threats as they occur.

Strategies for opportunities (positive risks) include:

- **Share**. Outsourcing and making better use of external partnerships may be required in order to capture the opportunity.
- **Exploit**. Positive impacts to the program are possible, provided the necessary resources to realize the benefits exist.
- **Enhance**. Affecting key drivers to increase the expected value of the opportunity.
- **Accept**. This strategy indicates that the program team has decided not to change program plans and will deal with the opportunities as they occur.

The risk response plan establishes how the project will alter the probability of a specific risk and the size of its Impacts by detailing the responses that will be carried out for the risk.

Despite planning efforts, a risk condition or event may still occur. Some risks, depending on their nature and severity, should they be realized, will require the establishment of a contingency plan, which is developed in anticipation of the occurrence of a risk, and is to be executed only if a predetermined trigger condition or event occurs. The contingency plan should identify all trigger events and include amounts of time, money, or resources needed to handle known – or even sometimes potential, unknown consequences.

## 5.4 The Aggregation of Risks

It is desirable to aggregate risk for the purpose of evaluating total risk exposure. Depending on the stakeholder's interests, this will be done for the following categories:

- Project level
- Program level
- By facility
- By site
- At the enterprise level
- Safety
- Security
- Mission Delivery
- Quality
- Cost Efficiency
- Cost Reduction Initiatives
- Risk Breakdown Structure element

Conversely, there may be times when aggregate risk needs to be disaggregated into individual risks, so a problem source can be isolated and addressed. This aggregation and disaggregation process must follow the 100% rule. This rule states that the risk breakdown structure (RBS) includes 100% of the risk defined by the enterprise's scope. The rule applies at all levels within the hierarchy: the sum of the work at the "child" level must equal 100% of the work represented by the "parent" and the RBS should not include any work that falls outside the actual scope of the enterprise, that is, it cannot include more than 100% of the work.

## 5.5 Risk Management Tools

ARM®, Active Risk Manager, by Sword Active Risk has been selected as the CNS ERM tool. ARM® is an industry-leading, off-the-shelf risk analysis software which has the capability to integrate our risk approach across all functions, groups, and sites. The ARM tool is based on industry standard best practices for risk management and provides standardization, is integrated and comprehensive, and supports risk informed decision making processes while aligning with the CNS One Vision of Safety, Security, Mission Delivery, Quality and Cost Efficiency.

## 5.6 Risk Management Governance

CNS risk review boards shall be organized using Integrated Product / Process Development (IPPD) principles. Each Integrated Product / Process Team (IPT) is a multidisciplinary group of people who are collectively responsible for delivering a defined product or process. Every member of the team works from the same information and towards the same overall goals, utilizing the same reporting criteria and tools. Customer representatives and other stakeholder organizations will be present during meetings, which leads to:

- Fewer meetings
- Enhanced downward communication of requirements and upward communication of status and risk
- Enhanced horizontal communication which improves integration

Each team must have the right mix of expertise to master the different facets of risk associated with their business assignments. Members of each IPT must be empowered to make decisions for their respective functional organizations.

While IPTs do not work in isolation, the best IPTs are able to make decisions with fewer consultations, reviews, and approvals with those outside the team. Thus they are not only more efficient; they are also more effective.

The goal is to manage issues at the lowest level possible, commensurate with the level of risk. IPTs are formed around the organizational RBS, which is closely aligned to the WBS and the cost accounting system. The IPTs are structured to define the relationship between top-level and sub-tier teams. When risks remain unresolved (due to lack of resources, higher priorities, etc.), the ERMO program managers will ensure that these risks are escalated progressively higher on the authority scale until resolution can be achieved. The escalation procedures and thresholds are identified in each risk review board charter.

### 5.6.1 Risk Review Board (RRB) Governance

Tiered risk escalation is implemented through chartered RRBs, as shown in **Figure 12**. Each tier has a predefined escalation threshold. Risks are managed at the lowest levels possible, by people that are most familiar with the risk.

This model requires every member of the RRB to work from the same information and towards the same overall goals, with the same process and tools. This structure emphasizes systems thinking.

All required stakeholder organizations are present during meetings, which leads to enhanced downward communication of requirements, upward communication of risk, and integration through horizontal communication.

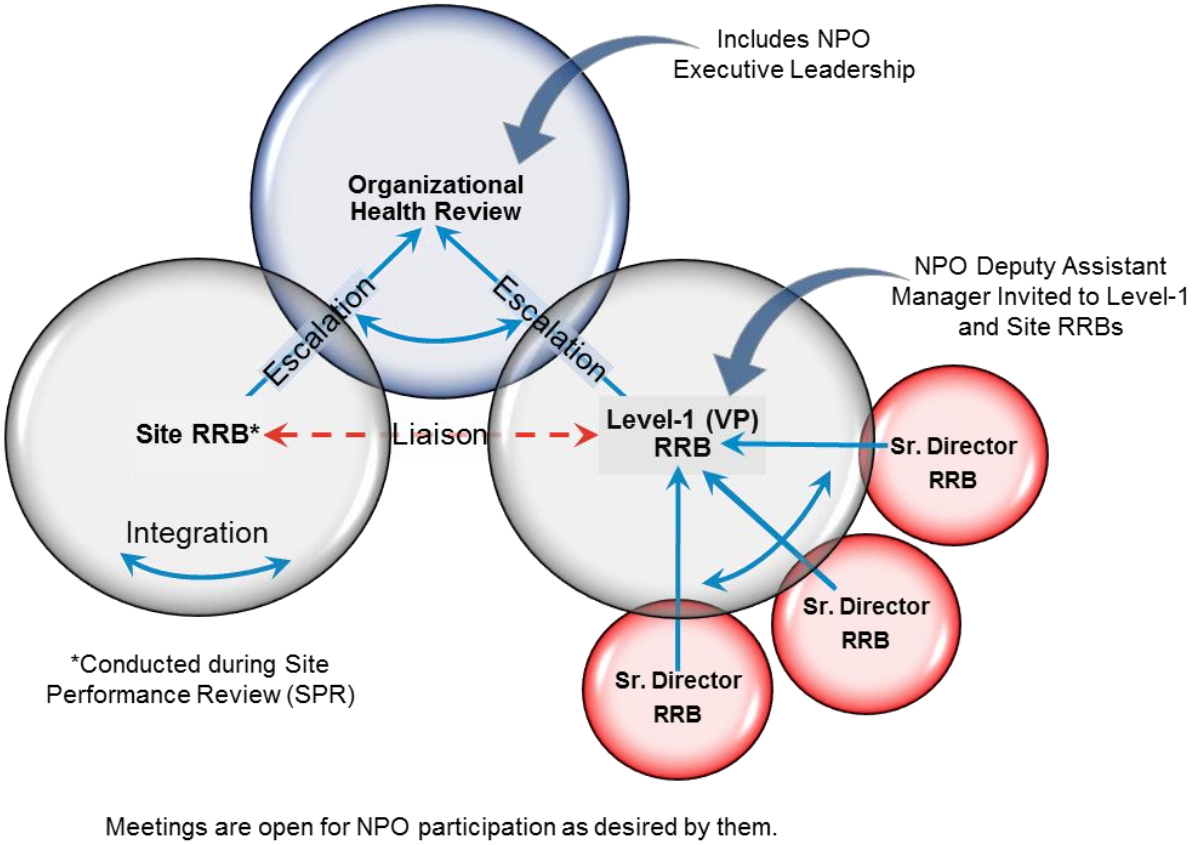


**Figure 12 – RRB Relationships**

At each RRB, risk is managed and coordinated with the rest of the organization – both vertically and horizontally.

An escalated risk does not transfer ownership of the risk. Escalation has one of two primary purposes: to provide situational awareness, or to activate the help chain – assistance required from others to resolve the risk.

The Pantex and Y-12 Site Risk Review Boards (SRRBs) view risk from a site perspective. The Level 1 RRBs interface with the SRRBs in one of three modes: Mode 1, an informative relationship, primarily providing situational awareness; Mode 2 in a contributive relationship, responding to actions that originate from the SRRBs, and; Mode 3 as part of an integrated joint working group, assigned to address risk that requires multi-organizational coordination.

# 6.0 COMMUNICATIONS

Proactive communications about transformation initiatives and merger activities are essential to CNS's success and achievement of future state vision and goals. CNS provides dedicated communication resources and vehicles to develop engaged, educated and integrated stakeholders, with shared support for transformation goals and initiatives. Ultimately, frequent and transparent communication ensures employees understand their role in NNSA's nuclear security mission.

Leadership is responsible for communicating a uniform and articulate foundational approach to the CNS strategy, mission and vision of transformation. The CNS leadership team communicates a compelling and consistent case for change to employees. Strategic communication planning efforts align leadership messages and identify opportunities for executive engagement to reinforce transformation objectives.

Effective communication ensures key messages penetrate all levels of the CNS enterprise, to include internal and external stakeholders. Stakeholder communication requirements must be understood, mapped and maintained, ensuring informational needs are met. Targeted and tailored tools assist managers and supervisors in communicating with the workforce on complex initiatives. Feedback loops gauge the receipt of such messages. Specific messages are created and released within single mission areas, whereas messages around enterprise-wide topics are released to broader audiences. Communication vehicles include emails, newsletters, website posts, verbal engagements and executive engagements. Effective communication is also a cornerstone of ADKAR©—Awareness, Desire, Knowledge, Ability and Reinforcement—which CNS has adopted as its model for change management.

# 7.0 COMPANY REACH BACK

The four CNS parent companies are well aligned culturally, have experience working together, bring complementary merger/consolidation experience, and have the core competencies needed to transform Y-12 and Pantex into an efficient enterprise. Specifically:

- Bechtel is a global firm that understands the NNSA missions from its management roles at Y-12, Pantex, Los Alamos National Laboratory (LANL), and Lawrence Livermore National Laboratory (LLNL). It will balance the drive for change with the need to protect mission continuity and certainty. Bechtel also brings the most relevant merger experience in DOE/NNSA today from its recent Knolls/Bettis consolidation as well as from the Nevada Test Site (NTS, now named the Nevada National Security Site or NNSS) where it merged three contractors at five sites into one contract, saving $468 million.
- Leidos has a vast experience that stems from their heritage businesses including Lockheed Martin IS&GS and SAIC. Their pedigree across infrastructure management, energy engineering and efficiency, environmental management, nuclear security, mission support, and IT modernization provides the applicable reach back needed to transform operations while modernizing aging infrastructure and maintaining environmental stewardship.
- ATK has worked with LM on the Trident program for 50 years and has successfully merged numerous companies including Hercules Aerospace and Thiokol Propulsion to become the world's largest supplier of solid propellant rocket motors and ammunition, and a leading provider of high-performance composite structures. It also merged operations at two large energetics sites under one management structure to reduce duplication and achieve substantial cost reductions. In addition, ATK dramatically cut its munitions production costs to remain competitive in a highly challenging commercial marketplace. ATK will bring its

energetics, high-hazard operations, and continuous improvement expertise to the production enterprise through numerous essential personnel integrated into the organization at various levels to facilitate top-to-bottom culture change. Additionally, the recent merger of Orbital ATK with Northrup Grumman will serve to enhance with reach back opportunities available from ATK.

- Search On Command (SOC), LLC is a global provider of mission support and full-spectrum security solutions for the U.S. Government and commercial customers. Capabilities include mission critical safeguards and security, operations and maintenance, engineering, explosive ordnance storage and disposal, and international logistics and life support services. Within the Department of Energy portfolio, SOC operates at Y-12, Pantex, Sandia-Livermore, and the Nevada National Security Site. SOC retains security enterprise subject matter experts available for reach back support to site operations, and cleared personnel to support operations during contingency operations. Furthermore, as a Day and Zimmerman Company, one of the oldest family owned businesses in the United States, SOC has mature business relationships with Mason and Hanger Construction, and Day and Zimmerman Staffing Services.
- While Bechtel, Leidos, ATK, and SOC all bring relevant, successful transformation experience to CNS, we also know that over 50% of all mergers fail to meet their stated goals. To help ensure we deliver for NNSA, CNS preselected Booz Allen Hamilton as a teaming subcontractor to guide our consolidation efforts. Booz Allen has helped over 600 customers plan and execute acquisitions, mergers, and business restructurings. Its proven suite of tools and approaches will be invaluable in smoothing and streamlining the merger of Pantex and Y-12 while creating a cohesive production enterprise. Booz Allen will also help CNS leverage its corporate parents' presence at LANL, LLNL, and Sandia to assist NNSA in accelerating its "One NNSA" vision beyond the production plants.

# 8.0 PERFORMANCE EVALUATION AND MEASUREMENT PLAN

A Performance Evaluation and Measurement Plan (PEMP) is jointly agreed upon between CNS and NNSA each fiscal year and it is incorporated into the Contract at Section J, Appendix B. The PEMP establishes annual performance Goals, Objectives and Key Outcomes deemed indicative of successful contractual and mission performance and it incentivizes performance through the allocation of a defined percentage of Performance Incentive Fee (PIF) to each of the Goals set forth in the PEMP. Although the performance evaluations provided pursuant to the provisions of the PEMP, and the resultant distribution of PIF based on the Fee Determining Officials annual assessment of CNS's performance, is separate and distinct from Cost Savings Incentive Fee (CSIF) determinations; the PEMP provides CNS and NNSA with a vehicle to ensure that Cost Savings Program achievements are balanced and aligned with overall mission performance as measured by performance against the annual Goals, Objectives and Key Outcomes set forth in the PEMP.

# 9.0 CNS APPROACH TO COST SAVINGS

In its original proposal, CNS identified $3.27 billion in savings over the 10-year contract period. Section 12.0 references Contract Modification No. 0121 which approved a reduction of $360M to lower the overall total savings to a 10-year target of $2.914B. Our confidence in our ability to deliver those savings is based on the following facts:

- We were deliberately conservative in our assumptions and constrained our savings initiatives to areas we could implement under our own authority as the M&O contractor.

- We focused on mission support functions and were deliberately conservative regarding security and the missions.
- We used proven merger, transformation, and continuous improvement tools provided by Booz Allen to perform our analyses.
- Our initiatives increase mission productivity and in partnership with NNSA, will use value stream mapping to pursue further transformative changes to the missions.

The driving force behind the CNS cost savings effort is the portfolio of cost restructuring initiatives that will be included in the CRP. To identify and quantify these initiatives, CNS follows processes derived from Booz Allen's experience guiding hundreds of mergers, consolidations, and restructurings of major corporations and government enterprises. In developing the MTP during the procurement process, we identified 62 different initiatives that were described in the proposal. These initiatives were derived from the principles shown in **Figure 13** below, and are now aligned to the tri-annual process from the CNS Cost Savings Program policies and procedures. CNS and NNSA engage regularly during the fiscal year to review cost savings initiatives as shown in **Figure 14.**

| DCOM | ABC | Norms of Objectivity | Pinpoint Behaviors |
|---|---|---|---|
| *Use: To help supervisors provide clearly understood work directions and feedback*<br>**D—Direction**<br>◆ Do your people know what you want them to do and why?<br>**C—Competence**<br>◆ Do they know how to do the task?<br>**O—Opportunity**<br>◆ Do they have the resources (time, tools, money, people) required to perform the assigned work?<br>**M—Motivation**<br>◆ Do they get feedback so they know what to keep doing or what to do differently?<br>Addressing these four elements will cover about 80% of the root causes of | *Use: To understand and influence behavior*<br>**A—Antecedents**<br>◆ Events that precede or prompt behavior<br>◆ 20% influence on behavior<br>**B—Behavior**<br>◆ What a person does or says<br>**C—Consequences**<br>◆ Events that follow behavior<br>◆ Increase, maintain, or decrease behavior<br>◆ 80% influence on behavior | *Use: To describe behaviors objectively (just the facts)*<br>**N—Not an Interpretation**<br>An unbiased statement about behavior<br>**O—Observable**<br>Behaviors seen/heard<br>**R—Reliable**<br>Two or more people agree on what they observed<br>**M—Measurable**<br>A number can be used to describe important aspects of a behavior or event<br>**S—Specific**<br>Detailed description as to what happened, who was involved, when, where, and the sequence | *Use: Specify the few critical behaviors that most impact the desired results (80/20 rule)*<br>◆ Be specific about the desired results<br>◆ Specify the key behaviors and performer(s) that most impact the desired results<br>◆ Describe the key behaviors objectively (avoid labels)<br>◆ Evaluate changes in behavior against changes in result |

**Figure 13 – Management Principles for Driving Cost Reductions**

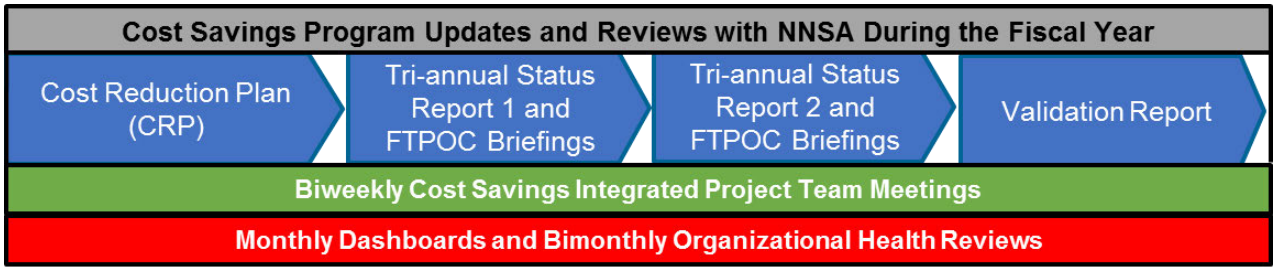


**Figure 14 – Cost Savings Program Reviews**

CNS has learned from the corporate Six Sigma, LM21, and PES programs that we cannot engage employees in a complex transformation program by intimidation. We must have voluntary buy-in to maximize discretionary effort and engagement. Further, we have found that managers do not always understand how to best motivate their employees to win this buy-in. For that reason, the CNS Performance Enterprise System (PES) deployment process will rely on training in Performance-Based Leadership (PBL) and Relational Based Leadership (RBL). These courses are a leadership toolkit taught and used across Bechtel as a general management approach and philosophy that helps managers get the best from their employees—including getting buy-in to PES.

The two courses are very different from other leadership formulas promoted across corporations today. It is based on behavioral science, and focuses attention on how results are achieved. Discretionary performance can best be described as the extra level of effort people contribute when they want to do something as opposed to when they are told to do something. PBL tools can help create an environment where colleagues are open to feedback, engaged in a continuous and productive behavioral improvement process, where they share and ultimately benefit from achieving mutual goals.

Some Y-12 and Pantex incumbent managers have already received training, and refresher training will help reinvigorate their PES skills. Training will be used to foster and maintain a workplace culture with a bias toward change that will markedly increase buy-in to the Performance Excellence Program and help institutionalize a long-term commitment towards excellence and continuous improvement. This commitment will yield enduring improvements in mission delivery.

CNS adopted Bechtel's proven, scientific approach to behavior change, which will be vital to establish a culture of continuous improvement across sites. Through this innovative training approach, leaders learn to utilize discrete tools to motivate, engage, align, and reward employees. It incorporates the following actions, which are outlined in **Figure 15**.

- **Goals:** Define and prioritize what needs to be done to improve strategic business success. These goals are related to the organization's (and the leader's) performance objectives, which are tied to the leadership team's compensation. By leaders communicating goals, the workforce will increasingly understand the impact of their behavior and daily work and adopt the mindset that change must occur.
- **Behaviors:** Pinpoint the human behaviors needed to improve engagement, motivation and the use of core processes and to achieve specific business results.
- **Analyze:** The work environment is analyzed to identify factors that encourage or discourage the desired behaviors.

| Coaching | Giving Feedback | Receiving Feedback | |
|---|---|---|---|
| *The purpose of coaching is to improve performance. Feedback is the primary coaching tool. Feedback is information given to an individual or team about their behaviors and their impact.*<br>**Ten Basic Principles of Feedback**<br>◆ Provide NORMS-based feedback<br>◆ Deliver immediately after behavior is seen/heard<br>◆ Confirm the receiver is ready to receive feedback<br>◆ Treat the person with dignity and respect<br>◆ Focus on behavior and not on the person/personality involved<br>◆ Practice "Active Listening"<br>◆ Ask questions to confirm and/or clarify<br>◆ Use "I" messages: "I saw..., I heard..."<br>◆ Listen to the receiver's response<br>◆ Deliver in person whenever possible | **Giving CONSTRUCTIVE Feedback (to encourage people to change an undesired behavior)**<br>◆ State the current behavior and the desired behavior objectively (just the facts)<br>◆ Describe the adverse impact of the current behavior to the job/team/you<br>◆ Ask the person for an explanation of their current behavior and actively listen<br>◆ Ensure the person knows what to do differently, why, and how to do it<br>◆ Follow up—when you observe the desired behavior provide positive feedback<br>**Giving POSITIVE Feedback (to encourage people to repeat a desired behavior)**<br>◆ State the specific behavior objectively (just the facts)<br>◆ Describe the positive impact of the behavior to the job/team/you<br>◆ Encourage the person to keep doing the behavior in the future | **Receiving CONSTRUCTIVE Feedback**<br>◆ Listen closely to the other person<br>◆ Ask questions to clarify and to understand the feedback<br>◆ Avoid being defensive<br>◆ Thank the feedback provider for their feedback<br>◆ Think about the feedback you have received before changing your behavior<br>**Receiving POSITIVE Feedback**<br>◆ Say, "Thank You" | **Performance-Based Leadership**<br>Leadership, the ability to influence others, is critical to Bechtel's business success.<br>Effective leaders get results and create motivating work environments that enable people to bring their best ideas, work efforts, and teamwork to the job.<br>Using PBL tools in this pocket job aid can help you become a more effective leader. |

**Figure 15 - Management Principles for Performance Based Leadership**

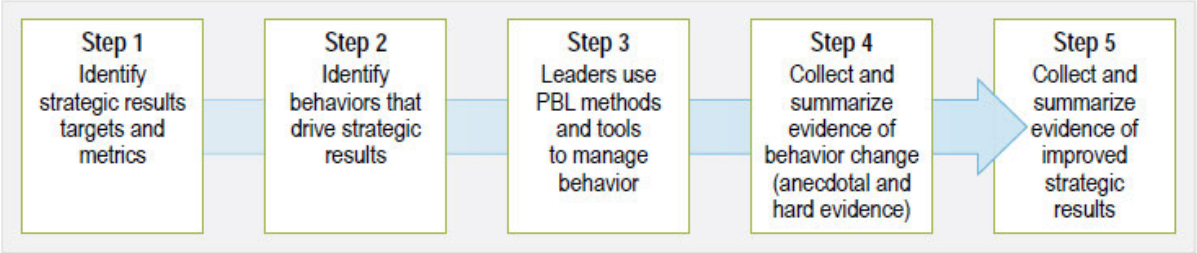


**Figure 16 - Performance-Based Leadership**

- **Change:** Based on the analysis, an action plan is established to change the work environment and consequently increase the probability of the desired behaviors occurring, leading to optimum results. This change process relies on leaders applying the seven tools of PBL to achieve the desired results.

- **Measure:** The outcomes need to be continuously measured and reported – both behavior change and business impact. Since goals are established and flowed down through the organization, comparing the performance measurements to these goals helps the leadership team and the increasingly engaged workforce to self-monitor and self-manage, facilitating continuous improvement at the same time that leaders remain accountable for results. This feeds into the concept that PBL is successful because employees want to do something versus being told to do something (commitment versus compliance).
- **Celebrate and Reward:** PBL augments the culture of employee engagement with one where employees are rewarded for meeting and exceeding goals. The CNS team in fact has a budget for formal recognition programs, in addition to a leadership mindset that values regularly recognizing good work.

THE SEVEN TOOLS OF PERFORMANCE BASED LEADERSHIP:

1. Coaching
2. Giving Feedback (both constructive and positive)
3. Receiving Feedback
4. DCOM supervisory tool (Direction/ Competence/ Opportunity/ Motivation); addresses 80% of root causes of poor performance
5. ABC Tool for understanding and influencing behavior (Antecedents/ Behavior/ Consequences)
6. NORMS of Objectivity (Not an interpretation/ Observable/ Reliable/ Measurable/ Specific)
7. Pinpoint Behaviors (the critical few behaviors that impact the desired results following 80/20 rule)

**Figure 17 – The Performance Based Leadership Toolkit provides leaders with specific tools for coaching their team in order to achieve results and motivating work environments.**

# 10.0 METHODOLOGY USED TO DEVELOP PROJECTED COST SAVINGS

To effectively deliver the mission consistent with its values, CNS recognized the need to carefully examine the cost savings available. CNS leveraged Booz Allen's expertise in cost restructuring engagements including mergers, transformations, and continuous improvement to systematically investigate potential cost reduction initiatives.

To initiate cost savings, CNS first engaged the complete CNS leadership team in a fact-based discussion on values, principles, goals, and expectations for the new contract and the challenges inherent in managing geographically separated sites as a single enterprise. From this discussion, our key personnel developed a common vision and mission for change that embodies the magnitude and timing of the cost and performance challenges. This executive-level dialogue is ongoing and continually guides the transformation as it progresses toward success.

CNS employed both top-down and bottom-up approaches to identify and isolate cost savings through all levels of the organization. Top-down approaches include comparisons of spending in overhead, mission support, and mission-performing functional areas. Spending quantities and the ratios of spending in various functional areas allows CNS to identify opportunities to reduce department sizes without sacrificing the performance of the organization.

Analysis of the organizations' supervisory spans and layers further reveals middle-management areas which can be optimized for greater performance. Bottom-up analysis such as a detailed analysis of benefits, management operational policies, and incentive structures allow CNS to propose changes to policies that will align existing organizational behaviors with CNS and NNSA interests. These methods helped identify redundant or less efficient technical and business

operations across the sites, which serve as the basis for cost reduction opportunities. Additionally, the continuous improvement methodologies to be implemented will continue to search for, uncover, develop solutions, and achieve savings in these areas over the duration of the contract. In developing the cost savings estimates, CNS identified the recurring savings that would be taken from selected actions.

# 11.0 CNS PROJECTED COST SAVINGS AND INCENTIVE FEE

As noted above, CNS developed an initial cost restructuring portfolio consisting of 62 CRIs previously identified in the proposal which CNS submitted to NNSA. The CRIs encompass both intensive and extensive changes to the organization. Initiatives change the cultural qualities of the organization as well as the size and shape of the organization. Various CRIs utilize economies of scale, differences in regional economies, competitive market landscapes, and management best practices across all functional areas in the organization. These CRIs were developed by general management consultants and vetted by functional experts who excel in their respective fields. As part of CNS' management review, the initiatives are considering the staffing levels in critical skill areas to ensure they do not drop below levels necessary to maintain these capabilities. This analysis is undertaken with HR and the CNS functional leaders to identify critical skill needs and existing talent pools. The Staffing Plan, submitted April 8, 2014 by CNS during Transition and now managed in concert with the ACB process, reflects this detailed review of the site skill mix and targeted effort to protect the necessary skills in the workforce. It should be noted that the cost savings approach of CNS will further protect and strengthen these critical skills over time. By freeing additional funding to CNS and NNSA, and reinvesting in needed skill sets where there are shortages, we will trim areas where skills are in excess of required capacity.

CNS created a CRI data template to systematically collect data regarding all aspects of each CRI relevant to CNS and NNSA, including:

- The amount of savings available
- Amount of execution costs required to achieve the savings
- Actions required to achieve the savings
- A timeframe for recouping costs
- Potential risks that could affect the expected savings of the CRI
- Actions that CNS would take to mitigate these risks

The identification, evaluation, and mitigation (as needed) of the risks in the CRIs are key aspects of ensuring the effective merger and transformation of the sites without negatively impacting the sites' missions. The CNS team members' decades of experience in leading and executing mergers and transformations, as well as their experience in managing and operating high-hazard operations are another aspect of mitigating risks to mission operations from the merger and transformation activities.

NNSA has designed and executed an innovative and well-structured contract for the Management and Operation of the Y-12 National Security Complex and the Pantex Plant. The contract strongly incentivizes CNS to identify and implement cost savings initiatives while maintaining a clear and appropriate focus on the safe and secure delivery of the mission. In accordance with the terms of the solicitation, CNS proposed sharing 35% of non-benefit-related savings for the first two years after the implementation and resulting verification of the associated cost reduction initiative. CNS further proposed that it would take no fee share from savings that resulted from the market based restructuring of employee benefits. This competitive approach enables CNS to return 92% of total

savings to NNSA for release, reinvestment or reprogramming without betraying any commitments to safety or security.

In addition to the proposed savings, CNS committed to provide rigor and transparency to the management of the cost savings program. This rigor and transparency is embodied in our approach to the Annual Controlled Baseline (ACB) and our use of appropriate management tools and systems to track and report savings. Our first-of-a-kind ACB includes an organizational cost baseline that provides a direct measure of savings and markedly increased detail on labor, material, subcontracts, and other expenditures. Recognizing that Earned Value Management System (EVMS) is a project management technique that is not intended to be a substitute for robust business financial management systems, CNS will utilize its certified EVMS system to execute line item and other capital projects as described below.

Our approach places equal emphasis on managing and tracking all elements of cost including direct, indirect, projectized level of effort, subcontracted, etc., and we will use our integrated processes (ACB, CRP, CRIs) to track and status all cost savings initiatives regardless of source or type. CNS originally proposed using a certified EVMS system to track and status all cost savings. This approach was based on a limited understanding of the site work, the existing degree of "projectization" of the scope, and the level of detail available in the planning process. During transition, CNS therefore modified its approach to employ our certified EVMS systems when it makes the most sense based on a requirement or to track a specific project with sufficient complexity to warrant the need for this level of detail (e.g. Life Extension Programs, Capital Reinvestments). The intent of our approach, however, remains the same in that we will place an equal emphasis on managing and tracking all elements of cost. We will develop and deploy systems to collect and integrate cost and accrual information from across the enterprise for analysis to support the management of the cost savings program and ensure the defensibility of savings claimed.

***CNS used proven, commercially oriented merger and transformation processes to identify savings of $2.914B***

- Streamlined staffing to focus on critical skills for mission delivery
- Adjusted benefits and employee leave policies to make them more consistent with industry trends
- Merged and consolidated functions with standardized processes
- Eliminated unnecessary activities and "shadow" functions
- Improved purchase pricing through volume-leveraged procurement
- Selective outsourcing for greater efficiency
- Enabled higher utilization rates through cross-training and flexibility
- Applied historical savings to account for more effective operations due to continuous improvement via Performance Excellence

Requirements for tracking cost reduction initiatives and segregating claimed savings have evolved significantly since the proposal was written. Funding related to CNS Cost Reduction Initiatives (CRIs) will be tracked through the Finance and Business Operations (FBO) Cost Savings Database by year and type of savings at the Obligation Control Limit (OCL) level. The cost savings will be segregated by the amount paid to CNS in cost savings incentive fee, the amount available for reinvestment, and the amount to be returned to NNSA. Based on transparency requirements, CNS has also developed an approach to create reserves inside and outside the ACB to provide visibility and transparency to the savings. The savings spreadsheet is linked with this effort to provide the required tracking. Additionally, each CRI will be tracked for the life of the contract.

Analyzing the cost restructuring portfolio allows CNS to forecast annual savings over the potential 10-year contract term. The projected cost savings and associated CSIF are shown in **Figure 19**,

which separates savings from benefits and non-benefits savings and demonstrates CSIF, which is taken on non-benefits savings only. Supply Chain savings are subject to a one-year valuation to demonstrate the sustainment of ongoing strategic sourcing initiatives, and the distribution of these savings is 25 percent CSIF, 35 percent government share, and 40 percent site reinvestment. All cost savings calculations will be done in conjunction with correspondence between CNS and the NPO Contracting Officer.

Figure 19 – MTP Revision – April 2017

| Benefit Savings | | Base Years ($K) | | | | | Option Years ($K) | | | | | | Total Savings | Cumul. Savings |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | | |
| **CRP Savings** ***Note 1*** | **TY$** | **0** | **21,541** | **7,755** | **8,044** | **20,640** | **8,642** | **4,143** | **2,874** | **2,959** | **3,049** | **1,422** | **81,068** | **594,494** |
| Offeror Share in Savings | % | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| *Notes 2, 3* | $ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Share in Savings Period | yrs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Savings to the Government *Note 1* | **TY$** | **0** | **21,541** | **7,755** | **8,044** | **20,640** | **8,642** | **4,143** | **2,874** | **2,959** | **3,049** | **1,422** | | **594,494** |
| **Other Savings** | | **Base Years ($K)** | | | | | **Option Years ($K)** | | | | | | **Total Savings** | **Cumul. Savings** |
| | | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | | |
| **CRP Savings** ***Note 1*** | **TY$** | **0** | **45,175** | **45,511** | **56,289** | **63,852** | **32,756** | **23,666** | **25,418** | **23,868** | **24,240** | **24,151** | **364,926** | **2,319,397** |
| Offeror Share in Savings | % | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | | |
| *Notes 2, 3* | TY$ | 0 | 15,811 | 31,740 | 28,930 | 40,093 | 27,443 | 14,933 | 13,633 | 14,070 | 13,515 | 21,914 | **222,083** | |
| Share in Savings Period | yrs | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | |
| Savings to the Government | TY$ | **0** | **29,364** | **13,771** | **27,359** | **23,759** | **5,313** | **8,733** | **11,785** | **9,798** | **10,725** | **2,237** | | **2,097,314** |
| **Total CRP Savings** | | **Base Years ($K)** | | | | | **Option Years ($K)** | | | | | | **Total Savings** | **Cumul. Savings** |
| | | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | | |
| **CRP Savings** ***Note 1*** | **TY$** | **0** | **66,716** | **53,266** | **64,333** | **84,491** | **41,398** | **27,809** | **28,292** | **26,827** | **27,289** | **25,573** | **445,994** | **2,913,891** |
| **Total Savings to the Government** | **TY$** | **0** | **50,905** | **21,526** | **35,403** | **44,399** | **13,955** | **12,876** | **14,659** | **12,757** | **13,774** | **3,659** | **223,912** | **2,691,808** |

Note 1: New benefit savings and CRP Savings are calculated based on the difference of savings from that year minus the previous year.
Note 2: Cumulative CSIF is a summation of the savings in each Contract Year listed in the table.
Note 3: Fee for a given year is calculated by 0.35 * [(Total new savings for year n – Benefits new savings for year n) + (Total new savings for year (n-1) – Benefits new savings for year (n-1)]. Year 10 fee is 0.35 * (Total new savings for year 9 – Benefits new savings for year 9) + 0.7 * (Total new savings for year 10 – Benefits new savings for year 10) to accommodate the equivalent of two years of fee from year 10.

**Figure 19 – Projected Cost Savings (CNS Contract Proposal) ($K)**

For savings proposed in conjunction with the MTP, and as stated in the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction" CNS will validate the amount of savings achieved and sustained from prior periods after which savings will be verified by the Contracting Officer as required by contract. This will ensure there is no negative impact to NNSA mission deliverables.

# 12.0 ASSUMPTIONS USED TO DEVELOP PROJECTED COST SAVINGS

The assumptions underlying the CRIs included in CNS' proposal were carefully documented in the CRI data template to ensure that emerging conditions do not disrupt anticipated savings. These assumptions have been examined to ensure that they are sufficiently conservative to incorporate into the CNS decision-making process. CNS analysis assumes:

- CNS has used a historical severance cost
- CNS has used an approved Compensation Increase Plan (CIP) for labor and non-labor cost in the 10-year cost savings projections

By the issuance of Contract Modification No. 0121, NNSA accepted adjustments in five areas, totaling $360M: $267M in adjustments stemming from deferral of the Savannah River Tritium Operations option decision and $93M in adjustments from other areas where the information provided by NNSA to CNS and other vendors in the RFP differed from the actual site operations at contract turnover.

When CNS reports net savings, the calculations include only hard savings values that are less the execution costs required to achieve them. All of the CNS cost savings reinvestment projects submitted to date are funded through efficiencies that we create outside of cost savings reinvestment projects. Details about execution costs will be contained in the tri-annual status reports and the CRP Validation Report. In accordance with the Contract's Section I Clause entitled "DEAR 970.5215-4, Cost Reduction" "[t]he Government makes no commitment to fund implementation costs but will consider those within budget on the merits of the savings proposed." However, it is assumed that site funding will continue to provide funding to support NNSA-directed actions and scope. For example, funding for facility replacements or capacity enhancements directed by NNSA, such as UPF, are not included as an expected investment by CNS, but instead are funded by NNSA. Similarly, an NNSA requirement to convert all NNSA site ERP systems to a common platform would be assumed to be contained with CNS site scope, or if changes are so significant that they are outside of current scope, an increase in funding or adjustment of existing funding priorities will occur in coordination with NNSA.

# 13.0 THE ANNUAL CONTROLLED BASELINE AND THE BASELINE CHANGE CONTROL PROCESS

## 13.1 The Annual Controlled Baseline

Developing and maintaining accurate baselines is crucial to the success of this contract. Accurate annual baselines serve as our roadmap for the way we accomplish the work, and help define scope, cost and schedule. Separate but related baselines must be maintained over the life of the contract to document the annual and cumulative savings achieved. These baselines must be accurate and defensible as billions of dollars of cost will be incurred and billions of dollars in savings will be released, reinvested or repurposed based on these baselines.

The baseline requirements are described in the Contract Statement of Work (Section J, Appendix A, Paragraph 3.3) and in Clause I-19 (DEAR970.5215-4). These requirements are addressed through the establishment and maintenance of three baselines as follows:

- Initial Baseline
- Annual Controlled Baseline (or current baseline)
- Proposed Baseline (or Cost Savings Baseline)

These three baselines are necessary to enable annual tracking of scope changes and cost savings over the life of the contract.

CNS has adopted a phased approach to implementation of the Annual Controlled Baseline (ACB) required under NNSA's Consolidated Production Contract. This approach is consistent with the phased approach being utilized to consolidate the Pantex and Y-12 financial processes and systems. Once fully operational, the CNS model of managing resources and scope will consist of the following components:

1. **Initial Baseline**
   a. **Purpose**: The initial baseline serves as the starting point for the measurement of verified cost savings for the duration of the CNS contract.
   b. **Content**: The initial baseline consists of the resources required to deliver the current mission scope prior to the implementation of efficiencies resulting from cost savings initiatives.
   c. **Change Criteria**: The initial baseline will be defined and agreed upon between NNSA and CNS and will be revised each year to account for verified changes in scope.

2. **Annual Controlled Baseline (ACB)**
   a. **Purpose**: The ACB is a verifiable description of the current scope of work, cost, schedule, and risk. It also captures and locks in implemented efficiencies to ensure sustainment.
   b. **Content**: The ACB consists of the mission and cost baselines defined below:
      i. **Mission Baseline**. The Mission Baseline includes spend plans by OCL. The mission scope is identified through the Prioritized Project List (PPL). It also defines the resources required to achieve the scope as well as associated deliverables and risk.
      ii. **Cost Baseline**. The Cost Baseline describes the annual costs and headcount needed by CNS Organization to achieve the mission baseline costs; broken down into labor, fringe, materials, subcontracts, etc., for each functional organization.
   c. **Change Criteria**: The ACB is developed annually and is referenced in the CRP. The ACB may need to be updated with BCRs during the fiscal year to incorporate scope, schedule, or resource changes.

3. **Proposed Baseline**
   a. **Purpose**: The Proposed Baseline is part of the Cost Savings Baseline which reflects the expected savings, generated by CRIs within the CRP, to be confirmed at the end of the fiscal year.
   b. **Content**: The Proposed Baseline reflects the target hours that each CNS organization must achieve by the end of each fiscal year to realize the savings within the CRP. If an organization's actual hours exceed the proposed baseline, CNS may not fully realize expected new savings. If an organization's actual hours

exceed the Cost Savings Baseline, CNS may reflect a loss of sustainment of previous years' savings.

c. **Change Criteria**: The Proposed Baseline was updated initially within the July 1, 2014, CRP and then on an annual basis at the beginning of each fiscal year. The Proposed Baseline may need to be updated during the fiscal year to incorporate scope changes that have occurred due to a delayed budget approval or other mid-year funding adjustments, to incorporate a CRI to be executed in the current year that was not included in the CRP, or to incorporate a CRI that requires modification during the year.

4. **Baseline Change Requests (BCRs**)
Any change to the mission baseline requires a BCR be developed and approved. The required approvals are based on the dollar amount changed and the approval thresholds defined in the CNS enterprise level ACB Change Control Process procedure. Once the BCR receives the appropriate approval the baseline will be adjusted.

5. **Cost Reduction Proposal (CRP) and Cost Reduction Initiatives (CRIs)**
These define the proposed merger, transformation and continuous improvement actions that CNS is taking to reduce the current baseline cost in a particular program, project, or organizational area. The CRP will include CRIs and will be updated at least annually. The CRIs will be tracked against the Annual Controlled Baseline and CRIs will be the mechanism for measuring and validating cost savings for the year by measuring cost reduction in actual annual hours to validate savings from the CRIs.

## 13.2 Current State

The ACB is a plan for scope, schedule, cost, and risks for the work executed during the fiscal year. The ACB includes both a Mission Baseline and Cost Baseline which contain all the elements of cost necessary to execute the planned scope (labor, materials, subcontracts, staff augmentation, and other direct costs) by both program and organization. At the beginning of FY 2015, CNS stood up a Change Control Board made up of Senior Leadership, F&BO, and Programs to manage the baseline and keep it under configuration control. CNS implemented a balanced Mission and Cost ACB, thus unifying Pantex and Y-12 into one plan. The complication of two separate financial systems was mitigated through a data warehouse which mapped the two financial systems into one consolidated organizational financial statement. This unified system provided the organizational detail and mission data. As of October 1, 2017, CNS has delivered a single financial system based on SAP HANA that will be the basis for tracking budgets, actual costs, and savings.

Starting in FY 2017, CNS improved its methodology for implementing and validating savings. Benefits and supply chain savings began using an annual savings methodology, and a new methodology was developed for labor FTE savings, outlined in **Figure 20 - Revised Labor Savings Validation Approach**. The improved methodology now includes a two-step approach for claiming labor FTE savings that first validates the achievement of labor CRIs and then confirms the resulting savings using actual hours.

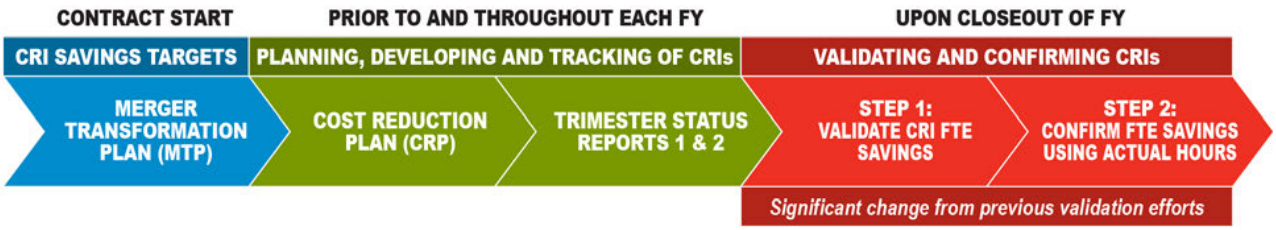


**Figure 20 – Revised Labor Savings Validation Approach**

The improved methodology fuses a "CRI-centric approach" with an actuals based savings confirmation. Step 1 validates the execution and achievement of an approved efficiency initiative and the subsequent delivery of the requisite level of scope. Step 2 confirms the implementation of the CRI by measuring the resulting reduction in actual hours. This approach provides multiple confirmatory steps to ensure that the CRI resulted in savings as follows:

- The CRI is complete and valid;
- The reserved funding is available for distribution per the sharing arrangement;
- The CRI reduced actual hours during execution;
- Overall hours did not shift to other areas; and
- Tracking of overall changes to the plan through a strengthened BCR process to ensure transparency for scope changes and to maintain a credible savings baseline.

Taken together, these steps significantly strengthen CNS's annual validation approach and provide a much clearer understanding of the validity of the savings claimed by CNS while also providing enhanced documentation to support these savings.

Further, the new approach includes a cost savings baseline that provides an ongoing means to measure cumulative savings and sustainment of previously verified savings. This approach better aligns the requirements of the cost savings program with NNSA mission requirements by recognizing that annual funding has been increasing year over year along with NNSA expectations for additional scope to address production requirements and site infrastructure conditions.

## 13.3 Phases in the Development of the ACB

### 13.3.1 Phase I: 4th Quarter FY 2014 Jul 1 – Sep 30, 2014

Phase I is referred to as year zero in the Merger Transformation Plan.

- **Mission Baseline:** Existed for each site but no rigorous scope definition, change control process or risk analysis process was in place.
- **Cost Baseline:** Did not exist by organization. CNS provided the Estimate To Complete (ETC) the remaining scope for the 4th Quarter of FY 2014.
- **Cost Reduction Initiatives (CRIs):** There were a number of CRIs, which impacted Phase I and were documented in the CRP. The CRP was submitted prior to the start of the period and included reference to a final ACB and a proposed baseline showing the anticipated cost reduction for the 3-month period.
- **Change Management Council (CMC):** Was implemented at the beginning of the period to manage changes to the Mission Baseline and CRIs for the period.
- **Cost Models:** Different ones existed for this period at the two sites, but there was an approved CNS disclosure statement.

- **Financial Systems:** Two separate financial systems existed but data was consolidated for reporting and ACB performance tracking and verification purposes.

### 13.3.2 Phase II: FY 2015 Oct 1, 2014 – Sep 30, 2015

- **Annual Controlled Baseline (ACB):** Was established and submitted December 17, 2014, and consisted of the following:

    - **Mission Baseline**. The Mission Baseline included costs based on standard rates by Budget and Reporting (B&R) code and by functional organization. The mission scope was identified through the Prioritized Project List (PPL), along with the resources required to achieve it. The scope, deliverables, and risk associated with each PPL were also defined.
    - **Cost Baseline**. The Cost Baseline described the annual costs and headcount needed by each CNS Organization to achieve the mission baseline. Costs within this baseline were broken down into labor, fringe, materials, subcontracts, etc. for each functional organization.

- **Cost Reduction Initiatives:** An updated CRP was submitted prior to the start of FY 2015 that included both the CRIs that began in Phase I as well as new CRIs which were implemented in FY 2015. The updated CRP also included a Proposed Baseline for FY 2015.

- **Change Management Council (CMC):** Was fully operational and reviewed appropriate scope; funding and CRI changes. Approved changes to scope, CRIs or budgets were reflected in both the Mission and Cost baselines.

- **Cost Model:** A single CNS cost model was in place at the start of the fiscal year.

- **Financial Systems:** Two separate financial systems existed but data was consolidated for reporting purposes as well as, performance tracking and cost savings verification purposes.

### 13.3.3 Phase III: FY 2016 Oct 1, 2015- Sep 30, 2016

- **Annual Controlled Baseline (ACB):** Was established and submitted at the beginning of FY 2016 and consisted of the following:

    - **Mission Baseline**: The Mission Baseline included costs based on standard rates by B&R code and by functional organization. The mission scope was identified through the PPL, along with the resources required to achieve it. The scope, deliverables, and a risk associated with each PPL was defined.
    - **Cost Baseline**: The Cost Baseline described the annual costs and headcount needed by each CNS Organization to achieve the mission baseline. Costs within this baseline were broken down into labor, fringe, materials, subcontracts, etc. for each functional organization.

- **Cost Reduction Initiatives**: CRIs that began in Phase I and II, as well as new CRIs that were implemented in FY 2016, were in place. An updated CRP was submitted prior to the start of the fiscal year to document the CRIs for this fiscal year and establish a proposed baseline for FY 2016.

- **Change Management Council:** Was fully operational and reviewed appropriate scope; funding and CRI changes. Approved changes to scope, CRIs or budgets was reflected in both the Mission and Cost baselines.

- **Cost Model:** A single CNS cost model was in place at the beginning of the fiscal year.

- **Financial System:** Two separate financial systems existed, but data was consolidated for reporting purposes as well as, performance tracking and cost savings verification purposes.

There are no changes beyond FY 2016 from what is detailed in Phase III with the exception that CNS moved to a single, consolidated financial system at the beginning of FY 2018 and CNS moved to using different SAP HANA versions. Those versions were used in the preparation of the annual ACB to differentiate the initial fiscal year spend plan (excluding CRIs) and the mission/cost baseline adjusted to reflect expected savings from the CRP (referred to as the "Proposed Baseline," which is maintained as the operating SAP HANA version for the execution year).

## 13.4 ACB Change Control Process

Baseline Change Requests (BCRs) are needed for changes to the ACB. Baseline changes exceeding certain thresholds are submitted to the CRB or CMC who can either approve them, endorse them to NNSA for approval, or disapprove them. The Change Control Process (CCP) shows how CNS accounts for change, identifies whether the change was directed by CNS or NNSA and, if NNSA directed, ensures that appropriate documentation is developed and approvals are obtained. CNS recognizes that such documentation is required to be able to provide the Contracting Officer with sufficient details regarding where changes originated (e.g., who in NNSA directed the change), how the change occurred, how the results were determined, and what actions were taken to revise the baselines. Absent such supporting documentation, baseline changes and potential savings may be disapproved.

The following outlines the CMC's structure and responsibilities relating to the CCP:

- **CMC CCP Responsibilities**: When justified, the CMC provides CNS approval of all BCRs and also oversees maintenance of the ACB. The baseline is included in the annual or mid-year CRP update. The CMC is responsible for approving BCRs associated with this document. The CMC also is responsible for forwarding approved BCRs to NNSA for final approval when required.

- **CMC BCR Structure**: The CNS Chief Operating Officer is the Change Control Chairperson. The Change Control Members are the same as the members of the CMC which will include ten key members who are senior CNS managers. In addition, the CNS Business Management and Transformation Vice President is the Change Control Secretary. The CMC members recommend approval or disapproval of baseline changes, but ultimate CNS disposition authority resides with the Change Control Chairperson. In addition, NNSA representatives are invited to all CMC meetings.

- BCRs whose change criteria fall below the change thresholds of the CMC are reviewed and dispositioned by the CRB and, below that, the Programs or Functional Organizations. NNSA representatives are invited to all CRB meetings as well.

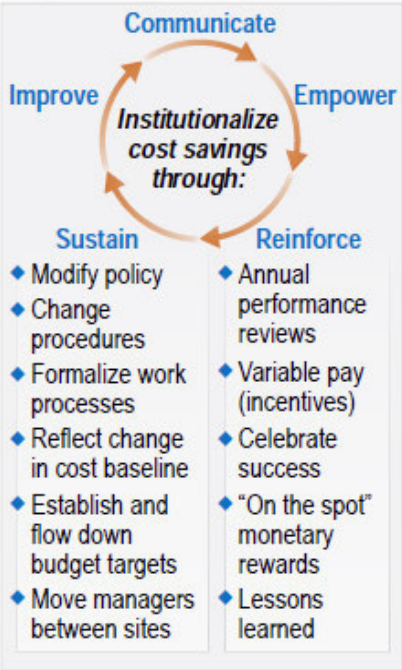


**Figure 21 – Change Management Process. The CNS process for reinforcing and sustaining change in the production enterprise is based on hundreds of consolidations**

# 14.0 INCORPORATING COST SAVINGS INTO ONGOING OPERATIONS

After we generate savings using our merger, transformation, and continuous improvement initiatives, we face two challenges:

- Ensuring that we sustain the savings
- Supporting NNSA in dispositioning those savings

This section presents our approaches for both challenges. To sustain the savings, CNS must institutionalize the improvements through procedure updates, training or retraining, culture alignment, management attention, and other reinforcement techniques that will stop any erosion of the savings initiative. CNS acknowledges that disposition of the savings is solely NNSA's responsibility and will, of course, support any action chosen. Should NNSA choose to reinvest the savings, CNS will present options for getting the best return on investment. That may be reinvestment within the production enterprise, or it may involve sending the funds to another NSE site. Booz Allen has vast expertise in this area and can offer abundant options. The following sections present more detailed responses to each of these post-savings activities.

## 14.1 Institutionalization of Cost Savings

Based on their extensive corporate experience, CNS has learned that sustaining transformational change is often as difficult as making it in the first place. Change Management is described in **Figure 21**. As we described previously, it comes down to leadership and discipline. CNS will detail the CRP policies and procedures it will use to institutionalize the cost savings we gain from our initiatives; the continuous process improvements realized outside of the CRP initiatives; and, transformation actions taken later in the merger process. CNS is fully incentivized to deliver the savings and guard against unintended consequences. As described in the proposal, CNS will fund a Corrective Measures Program for any corrective measures or rework associated with our cost savings initiatives.

## 14.2 Disposition of Cost Savings

Reinvestment of savings affords the opportunity to address aging infrastructure challenges, invest in personnel development and workplace quality of life, finance additional mission work, as well as enable further transformation initiatives. The Savings Reinvestment Process provides a formal framework for guiding contractor-generated savings reinvestment decisions. It establishes a transparent, technically-based business process that effectively identifies and approves those projects and human capital initiatives with significant benefit to the people and missions associated with CNS-operated sites. The process is governed by a set of general guidelines based on underlying contract requirements, program management guidance, fiscal regulations, and annual guidance from senior leadership. The process is supported by appropriate analysis and requires full stakeholder participation in the development, assessment and selection of projects and

initiatives for funding. CNS will provide recommendations on site reinvestment priorities and anticipates NNSA review and/or approval of projects based on magnitude of investment and potential impact to the wider Nuclear Security Enterprise.

## 14.3 Continuous Full and Open Transparency

CNS recognizes that cost performance on this contract may be more highly scrutinized than for any other NNSA M&O. Cost savings and efficiency gains were the motivation for merging the two contracts. The proposed cost savings played a large role in the selection of CNS and many are tracking performance to ensure goals are achieved. To satisfy this level of scrutiny, we respond with complete and total transparency as to all cost and schedule data—process rates, labor and material costs, staffing levels, overhead pools, and any other data needed to fully understand the savings we have proposed and the level to which we are achieving them.

To deliver this information, we are implementing a cost effective, web-based Consolidated Information System (CIS) that will leverage technologies that make it compatible with the NNSA Network Vision. CIS is a straightforward SharePoint-based portal to the information maintained by the consolidated data warehouse and the new/single financial system. . CIS will help visualize the data that will be integrated by combining the Pantex and Y-12 ERP systems on SAP HANA with the Business System Modernization Project (BSMP). CIS leverages Leidos' experience and best practices in deploying these types of transparent management portals for many other US Government departments including Health and Human Services and the Department of Defense. An underlying key tenant of our development approach is to migrate over time to a consolidated, integrated enterprise IT management model. This approach was detailed more specifically in the Architectural Roadmap deliverable, which was provided December 2014 with roadmaps updated and refined over time by the Chief Technology Officer (CTO) office. However, during the transition period, a common operating domain will be established to provide access to shared calendars, contacts, email, data shares and applications using a trusted relationship between the two networks. This serves as a first step in establishing the necessary architectural foundation for development of an integrated CIS.

After transition is complete, working with business and technical stakeholders, the team will continue further development of user, business, data, and technical requirements to ensure continuous full and open transparency is maintained. Requirements related to key CIS attributes such as permissions, reports, dashboards, data access, system usability and system performance will serve to drive system design and requirements validation testing. The CNS team understands the importance of developing an intuitive, flexible and easy to use system and the criticality of gaining end user input to develop an optimal system used to measure the performance of the new organization.

The CNS team will begin the journey to a consolidated enterprise information system environment leveraging NNSA's current technology investments in SharePoint, Data Warehousing, and Enterprise Resource Planning (ERP) platforms at Pantex and Y-12. A data warehouse will serve as the point of data consolidation to be utilized by the Consolidated Information System (CIS) SharePoint based Portal to provide CNS, NPO, and NNSA leadership access to consolidated data from the existing systems. This system was in place until the single financial system was delivered on October 1, 2017.

By using this approach, CNS began the process of consolidated reporting, standardization, and cross-site alignment of core business processes without impacting production operations.

The consolidation of this data brings full transparency with improved visibility to NNSA, NPO, and CNS, reducing the need to comb through multiple reports from multiple systems. The upward reporting capabilities brings quick implementation of a cost-effective, intuitive web-based interface with minimal training time. In addition to the consolidation of data, the team will look for opportunities to retire existing applications whose functionality will be replaced by or integrated into the CIS or other enterprise systems. This approach presents a significant opportunity for additional cost reduction.

In parallel to the infrastructure consolidation activities, the team will continue to review and identify the specifics related to role based permissions, standardized reports, specialized dashboards and real-time data access. This approach ensures that access to information is controlled yet securely accessible. The benefit of this approach is that the CIS can grow in phases, providing NNSA, NPO and CNS access to performance data and visibility into critical operating and contractual management elements. The result is a simple, easy-to-install, easy-to-use CIS that will provide NNSA and the NSE community with the data needed to validate the cost savings we will achieve. A phased system implementation approach, proven valuable in past implementations, requires managing expectations and delivering focused aligned features that provide the desired outcomes. Proposed phases of the CNS implementation are detailed below:

CIS Phase 1:

CIS Initial Operating Capability (IOC) will encompass an intersite shared SharePoint environment that will be accessible from both Pantex and Y-12. This SharePoint environment will be structured to support various functional and governance information publishing requirements from each functional area. The initial content within this structural framework will be limited to descriptions of the functional areas and any information that the functional areas wish to publish within the environment.

CIS Phase 2:

Data Definition: After the successful deployment of the CIS IOC, the Information Solutions & Services Team will work closely with the functional organizations to establish a comprehensive governance framework and define their key performance indicators (KPIs), SLAs, and metrics needed to manage the mission effectively. Once these definitions are identified, the key information will be entered into the system to provide the comprehensive governance dashboards until Phase 3 is completed.

CIS Phase 3:

Integration and Automation: The collection and display of the information defined and manually updated in Phase 2 will be automated through the integration of key system feeds to allow the information to be processed, correlated and displayed automatically. These feeds will include real time, where applicable, data feeds from existing toolsets across the enterprise to minimize the human interaction required for this data collection and reporting capability.

These information feeds from ‘element manager systems’ across the enterprise will be aggregated and orchestrated via an Enterprise Data Warehouse that will gather all of these data feeds for pre-processing and correlation before populating the management dashboards within the presentation layer of CIS. The architectural model for this environment is outlined in **Figure 22**.

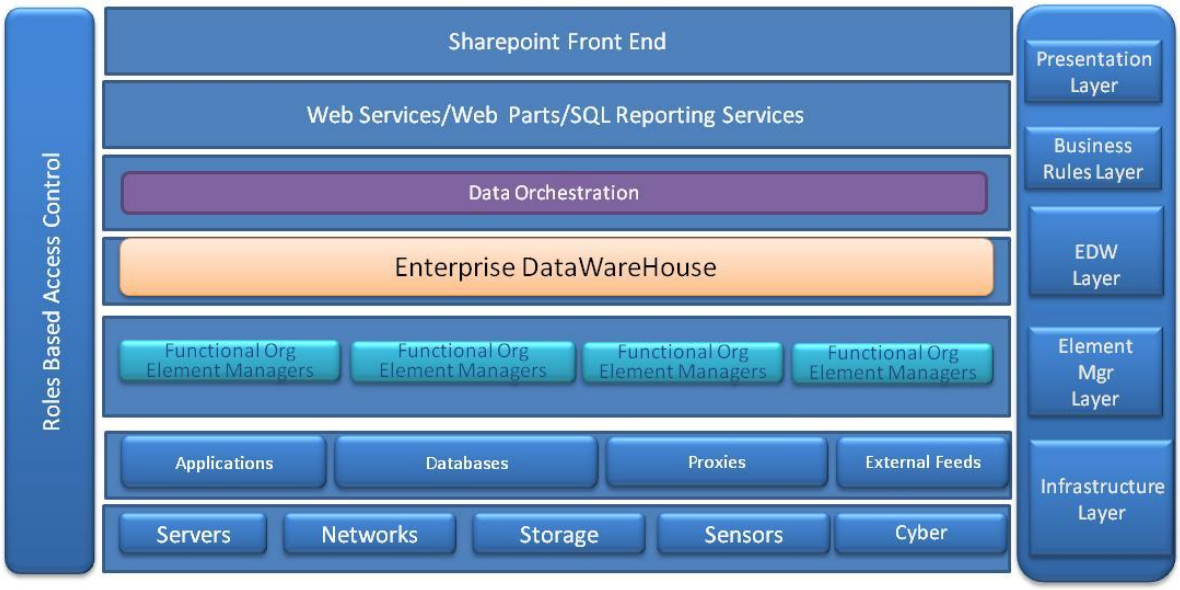


**Figure 22 – Architectural Model for the Data Warehouse Environment**

CIS Phase 4:

CIS Final Operating Capability (FOC) will encompass the final integrated system feeds to provide the final operating state of the CIS. The CIS will then move into operations and maintenance (O&M) lifecycle support with new features and integrations managed via the standard Configuration Management (CM) and Software Quality Assurance (SQA) processes.

Throughout all phases of deployment, the CIS system will control access to content via the Standard Active Directory Group Policy Definitions within SharePoint. Access to the Public Access Areas of CIS (Storefront, Functional Area Descriptions, Service Desk Ticket Status, etc.) will be available to all authenticated users. Access to business sensitive information such as HR, Finance, etc. will be limited to those groups and accounts with “Need-to-Know” access.

Pursuant to the deployment of Phase 4 FOC, the CIS is envisioned as becoming the ‘one-stop-shop’ for performance information related to the Operations and Management of the CNS Environment.

# APPENDIX 1: MTP REQUIREMENTS COMPLIANCE MATRIX

| MTP Requirement | Contract Section | Contract Sub-section | Contract Page # | MTP Page # | MTP Section |
|---|---|---|---|---|---|
| **At a minimum, the Merger and Transformation Plan shall describe how the Contractor will:** | | | | | |
| Manage merger of operations without negatively impacting mission | J | Appendix A-3.2 | 5 | 5-10 | 2.0 CNS Approach to Merger and Transformation |
| Ensure critical skills necessary to maintain capabilities | J | Appendix A-3.2 | 5 | 5-10 | 2.0 CNS Approach to Merger and Transformation |
| Identify and streamline redundant technical and business operations across the sites under this Contract | J | Appendix A-3.2 | 5 | 27-32 | 9.0 CNS Approach to Cost Savings, 10.0 Methodology Used to Develop Projected Cost Savings |
| Incorporate governance (Section J, Appendix A, Chapter I, 4.4) | J | Appendix A-3.2 | 5 | 11-16 | 4.0 Governance of the Merger and Transformation Activities |
| Maintain relationships and regulatory interfaces, and assume responsibility for permits with local, State and Federal entities, other DOE offices, and stakeholders. | J | Appendix A-3.2 | 5 | 5-10 | 2.0 CNS Approach to Merger and Transformation |
| **Other Requirements:** | | | | | |
| The MTP shall also include Performance Fee Incentives, with associated objectives, measures, and targets to be considered for inclusion in the Contract's Performance Evaluation Plan (PEP), which may be multi-year, and be used as consideration for additional Contract term. | F | 5 (a) | 17 | 27, 32-34 | 10.0 CNS Proposal Projected Cost Savings and Incentive Fee |
| The MTP described in Section F, F-7(e), includes the Timeline of Projected Cost Savings | I | 19 (a) | 31 | 34 | Figure 19– MTP Revision – April 2017 |

# SECTION J

## APPENDIX E

## PERFORMANCE GUARNTEE AGREEMENT(S)

January 23, 2019

National Nuclear Security Administration
Department of Energy
Albuquerque, NM
USA

**Third Revised** Guaranty No. 2012-511

Gentlemen:

**This Third Revised Guaranty replaces in its entirety the Second Revised Guaranty No. 2012-511 signed on December 13, 2016.**

For value received, and in consideration of, and in order to induce the United States (the Government) to enter into Contract Number DE-NA0001942 for the management and operation of the Y-12 National Security Complex and Pantex Plant (the "Contract") dated January 8, 2013 by and between the Government and Consolidated Nuclear Security LLC (Contractor), the undersigned, Leidos, Inc. (Guarantor), a corporation incorporated in the State of Delaware with its principal place of business at 11951 Freedom Drive, Reston, VA 20190-5640, hereby unconditionally guarantees to the Government (a) the full and prompt payment and performance of all obligations, accrued and executory, which Contractor presently or hereafter may have to the Government under the Contract, and (b) the full and prompt payment and performance by Contractor of all other obligations and liabilities of Contractor to the Government, fixed or contingent, due or to become due, direct or indirect, now existing or hereafter and howsoever arising or incurred under the Contract, and Guarantor further agrees to indemnify the Government against any losses the Government may sustain and expenses it may incur as a result of the enforcement or attempted enforcement by the Government of any of its rights and remedies under the Contract, in the event of a default by Contractor thereunder, and/or as a result of the enforcement or attempted enforcement by the Government of any of its rights against Guarantor hereunder.

Guarantor has read and consents to the signing of the Contract. Guarantor further agrees that Contractor shall have the full right, without any notice to or consent from Guarantor, to make any and all modifications or amendments to the Contract without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder.

Guarantor hereby expressly waives all defenses which might constitute a legal or equitable discharge of a surety or guarantor, and agrees that this Performance Guarantee Agreement shall be valid and unconditionally binding upon Guarantor regardless of (i) the reorganization, merger,

or consolidation of Contractor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Contractor, or the sale or other disposition of all or substantially all of the capital stock, business or assets of Contractor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Contractor, or adjudication of Contractor as a bankrupt, or (iii) the assertion by the Government against Contractor of any of the Government's rights and remedies provided for under the Contract, including any modifications or amendments thereto, or under any other document(s) or instrument(s) executed by Contractor, or existing in the Government's favor in law, equity, or bankruptcy.

Guarantor further agrees that its liability under this Performance Guarantee Agreement shall be continuing, absolute, primary, and direct, and that the Government shall not be required to pursue any right or remedy it may have against Contractor or other Guarantors under the Contract, or any modifications or amendments thereto, or any other document(s) or instrument(s) executed by Contractor, or otherwise. Guarantor affirms that the Government shall not be required to first commence any action or obtain any judgment against Contractor before enforcing this Performance Guarantee Agreement against Guarantor, and that Guarantor will, upon demand, pay the Government any amount, the payment of which is guaranteed hereunder and the payment of which by Contractor is in default under the Contract or under any other document(s) or instrument(s) executed by Contractor as aforesaid, and that Guarantor will, upon demand, perform all other obligations of Contractor, the performance of which by Contractor is guaranteed hereunder.

Guarantor agrees to assure that it shall cause this Performance Guarantee Agreement to be unconditionally binding upon any successor(s) to its interests regardless of (i) the reorganization, merger, or consolidation of Guarantor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Guarantor, or the sale or other disposition of all or substantially all of the capital stock, business, or assets of Guarantor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Guarantor, or adjudication of Guarantor as a bankrupt.

Guarantor further warrants and represents to the Government that the execution and delivery of this Performance Guarantee Agreement is not in contravention of Guarantor's Articles of Organization, Charter, by-laws, and applicable law; that the execution and delivery of this Performance Guarantee Agreement, and the performance thereof, has been duly authorized by the Guarantor's Board of Directors, Trustees, or any other management board which is required to participate in such decisions; and that the execution, delivery, and performance of this Performance Guarantee Agreement will not result in a breach of, or constitute a default under, any loan agreement, indenture, or contract to which Guarantor is a party or by or under which it is bound.

No express or implied provision, warranty, representation or term of this Performance Guarantee Agreement is intended, or is to be construed, to confer upon any third person(s) any rights or remedies whatsoever, except as expressly provided in this Performance Guarantee Agreement.

In witness thereof, Guarantor has caused this Performance Guarantee Agreement to be executed by its duly authorized officer, and its corporate seal to be affixed hereto on January 23, 2019.

LEIDOS, INC.

By:

Marc H. Crown

Title: Senior VP & Treasurer

Address for notice:
11951 Freedom Drive
Reston, VA 20190
U.S.A.
Attention: Treasurer
Telephone: 571-526-6489

Marc Crown is the duly appointed, qualified and acting Senior VP and Treasurer of Leidos, Inc. as of the date of this signature and that the signature set forth above is his true and correct signature.

WITNESS my hand and the seal of Leidos, Inc. on this _____ day of January 2019.

By: Ramune M. Kligys

Name: Ramune M. Kligys

Title: Corporate & Securities Paralegal Manager

(SEAL)

# SECTION J

# APPENDIX F

# WORK BREAKDOWN STRUCTURE

The Department of Energy, National Nuclear Security Administration (DOE/NNSA), manages a large and diverse portfolio of activities across the Nuclear Security Enterprise (NSE). To help facilitate and integrate the management of this portfolio, the Program Offices utilize an Work Breakdown Structure (WBS) comprised of all Programs' WBS elements. The WBS provides a consistent framework for planning, programming, budgeting, and evaluation (PPBE) of work required to execute their mission. The WBS includes work planning, scheduling, cost estimating, executing work, measuring performance, and reporting the status of work performed. It is expected that the WBS will be used in all Programmatic processes and Contractor support will be required to support those initiatives.

The WBS will be a tool used to define and group discrete work elements (or tasks) in a way that helps organize and define the total work scope of a Program. By grouping work into discrete, manageable elements, the WBS will help to organize and define the total Programs work scope across the NSE. The WBS element may be a product, service, or a combination of products and services. The WBS also provides the necessary framework for scheduling, cost estimating, and controlling a Program's work. As a dynamic tool the WBS, will be revised and updated annually or as required. The WBS is a tool that can be used by NNSA programs to:

- Provide a common framework for defining, managing, and reporting work throughout the PPBE process;
- Account for all work performed by an Program across the NSE;
- Enable program managers to better understand, plan and manage programs and projects;
- Provide greater transparency into how the Program is allocating and spending funds; and
- Establish work definitions to meet current and future cost estimating, scheduling, and performance measurement of Program activities.

# CNS PROJECT MANAGEMENT PLAN FOR THE URANIUM PROCESSING FACILITY PROJECT

THE NATION'S URANIUM PROCESSING FACILITY

Project Number 06-D-141

**December 2018 | Revision 6**

[redacted]

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# CNS PROJECT MANAGEMENT PLAN FOR THE URANIUM PROCESSING FACILITY PROJECT

Project Number 06-D-141

**December 2018**

Prepared by the Uranium Processing Facility Project Team
of Consolidated Nuclear Security, LLC
Management & Operating Contractor
for the
Y-12 National Security Complex and Pantex Plant
under Contract No. DE NA0001942
with the U.S. Department of Energy
National Nuclear Security Administration

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# CONTENTS

**1.0 INTRODUCTION ..... 1**
1.1 General Project Information ..... 2
1.2 Management Structure ..... 3
1.3 Funding Resource Plan ..... 4
1.4 Critical Decision Execution Strategy Summary ..... 4
**2.0 EXECUTION STRATEGY AND APPROACH ..... 5**
2.1 Procedures/Processes ..... 5
2.2 Work Breakdown Structure and Responsibility Assignment Matrix ..... 5
2.3 Cross-Functional Interfaces ..... 6
2.4 CNS Oversight ..... 6
2.5 Functional Execution ..... 8
2.5.1 Engineering ..... 8
2.5.2 Procurement ..... 10
2.5.3 Construction ..... 13
2.5.4 Startup and Commissioning ..... 14
2.5.5 Transition to Operations/Closeout ..... 15
2.5.6 Records Retention ..... 16
2.5.7 Automation ..... 16
2.5.8 Training ..... 17
2.6 Key Activities for Successful Execution (KASE) ..... 17
**3.0 PROJECT BASELINE ..... 17**
3.1 Scope of Work ..... 17
3.2 Schedule Baseline ..... 18
3.3 Cost Baseline ..... 19
3.4 Management Reserve and Contingency ..... 19
3.5 Baseline Change Control ..... 20
3.6 Earned Value Management System – System Description (EVMS-SD) ..... 20
**4.0 PROJECT EXECUTION PLAN ..... 21**
4.1 Organization ..... 21
4.2 Project Interface ..... 21
4.2.1 General ..... 21
4.2.2 Zippering Plan ..... 21
4.2.3 Reviews ..... 21

4.3 Nuclear Safety Culture....22
4.4 Quality Assurance....24
4.5 Environment, Safety, and Health....25
4.6 Safeguards and Security....27
4.7 Contractor Assurance....27
4.7.1 Assessments....28
4.7.2 Event Reporting....28
4.7.3 Worker Feedback....28
4.7.4 Issues Management....28
4.7.5 Lessons Learned....28
4.7.6 Performance Metrics/Indicators....29
4.7.7 Performance Trending Analysis....29
4.8 Productivity Improvement....29
**5.0 RISK MANAGEMENT....30**
5.1 Risk....30
5.2 Assumptions....31
**6.0 REFERENCES....31**
**APPENDIX A UPF Project Team Key Member Responsibilities....36**

# TABLES

Table 1. Critical Decision Milestones (current forecast) ..... 4
Table 2. BNI Small Business Goals ..... 13
Table 3. BNI Procurement Strategies ..... 13

# FIGURES

Figure 1. Threat Grading Matrix ..... 31

# ACRONYMS, ABBREVIATIONS, AND INITIALISMS

| | |
|---|---|
| **3D** | three-dimensional |
| **AROD** | Amended Record of Decision |
| **ASME** | American Society of Mechanical Engineers |
| **BCCB** | Baseline Change Control Board |
| **BCP** | baseline change proposal |
| **BNI** | Bechtel National Inc. |
| **BOE** | basis of estimate |
| **BPS** | Bechtel Procurement System |
| **CAM** | Control Account Manager |
| **CAS** | Contractor Assurance System |
| **CD** | Critical Decision |
| **CFR** | Code of Federal Regulations |
| **CIS** | Center for Industrial Services |
| **CLIN** | Contract Line Item Number |
| **CM** | Configuration Management |
| **CNS** | Consolidated Nuclear Security LLC |
| **QC** | Quality Control |
| **CY** | calendar year |
| **DAR** | Design Authority Representative |
| **DEAR** | Department of Energy Acquisition Regulation |
| **DMC** | Document Management Center |
| **DMP** | Design Management Plan |
| **DNFSB** | Defense Nuclear Facilities Safety Board |
| **DOE** | US Department of Energy |
| **EAC** | estimate at completion |
| **EEP** | Engineering Execution Plan |
| **EPC** | engineering, procurement, construction |
| **ES&H** | environment, safety, and health |
| **EU** | enriched uranium |
| **EVMS** | Earned Value Management System |
| **FPD** | Federal Project Director |
| **FY** | fiscal year |
| **FYNSP** | Future Years Nuclear Security Plan |
| **HEU** | highly enriched uranium |
| **HEUMF** | Highly Enriched Uranium Materials Facility |
| **HR** | Human Resources |

| | |
|---|---|
| **ICD** | Interface Control Document |
| **IPT** | Integrated Project Team |
| **ISM** | Integrated Safety Management |
| **ISMS** | Integrated Safety Management System |
| **ISSM** | Integrated Safeguards and Security Management |
| **JHA** | Job Hazard Analysis |
| **KASE** | Key Activities for Successful Execution |
| **LEED** | Leadership in Energy & Environmental Design |
| **M&O** | management and operating |
| **MAS** | Material Assignment Schedule |
| **MEB** | Mechanical Electrical Building |
| **MPB** | Main Process Building |
| **MR** | management reserve |
| **NEPA** | National Environmental Policy Act |
| **NNSA** | National Nuclear Security Administration |
| **NPO** | NNSA Production Office |
| **NQA** | Nuclear Quality Assurance |
| **NS&E** | Nuclear, Security and Environmental (Bechtel) |
| **ORR** | Operational Readiness Review |
| **PBQ** | People-Based Quality |
| **PEP** | Project Execution Plan |
| **PMP** | Project Management Plan |
| **PPE** | personal protective equipment |
| **PRMS** | Programmatic Requirements Management System |
| **PQM** | Project Quality Manager |
| **PSB** | Personnel Support Building |
| **PSF** | Process Support Facilities |
| **QA** | Quality Assurance |
| **QAM** | Quality Assurance Manager |
| **QAPD** | Quality Assurance Program Description |
| **RAM** | Responsibility Assignment Matrix |
| **RAR** | Risk Analysis Report |
| **RFSC** | Ready for Shipment Checklist |
| **RMP** | Risk Management Plan |
| **ROD** | Record of Decision |
| **S&S** | Safeguards and Security |
| **SA** | Subcontract Administrator |

| | |
|---|---|
| **SAB** | Salvage and Accountability Building |
| **SCWE** | safety conscious work environment |
| **SDIT** | Safety-in-Design Team |
| **SME** | Subject Matter Expert |
| **SOW** | Statement of Work |
| **SQA** | Software Quality Assurance |
| **SQEAS** | Supplier Quality and Expediting Application Suite |
| **SSC** | structure, system, or component |
| **STR** | Subcontract Technical Representative |
| **T&P** | technical and programmatic |
| **TEC** | total estimated cost |
| **TECAM** | Technical Evaluation of Critical Attributes and Mitigation |
| **TPC** | total project cost |
| **UPF** | Uranium Processing Facility |
| **UPO** | UPF Project Office (NNSA) |
| **WBS** | work breakdown structure |
| **Y-12** | Y-12 National Security Complex |

# 1.0 INTRODUCTION

Consolidated Nuclear Security LLC (CNS) manages and operates the Y-12 National Security Complex (Y-12) in Oak Ridge, Tennessee, and the Pantex Plant (Pantex) in Amarillo, Texas, for the US Department of Energy (DOE) National Nuclear Security Administration (NNSA). Y-12 serves as the nation's Uranium Center of Excellence where highly enriched uranium (HEU) is stored and where enriched uranium (EU) processing takes place.

In addition to the management and operating (M&O) functions for Y-12 and Pantex, CNS is tasked with executing the Uranium Processing Facility (UPF) Project at Y-12. The goal of the UPF Project is to construct a modern, state-of-the-art facility to begin the consolidation of Y-12's EU processing and manufacturing into an efficient, high-security facility. The scope of the Project is to design and construct buildings and infrastructure and install capabilities to support selected Building 9212 processes of the broader uranium mission strategy. The UPF Project has received Critical Decision (CD) 2/3 approval for the Main Process Building (MPB), Salvage and Accountability Building (SAB), and Process Support Facilities (PSF) subprojects. Also underway, and in the construction phase, are the Substation and the Mechanical Electrical Building (MEB) subprojects.

This Project Management Plan (PMP) outlines CNS's plan for managing the UPF. CNS issued a subcontract to Bechtel National Inc. (BNI) to provide personnel; processes; procedures; engineering, procurement, and construction (EPC) tools; and other resources as necessary to support and assist CNS in the execution of Contract Line Item Number (CLIN) 0002 of NNSA Prime Contract DE-NA0001942. The statement of work (SOW) for the BNI subcontract also states that BNI will perform procurements for CNS. The PMP also includes the EPC subcontractor's (i.e., BNI's) plan to manage the execution of the Project in accordance with the subcontract requirements. This PMP will be updated when significant changes occur to the execution plan of the Project.

This UPF PMP describes how CNS and BNI management methods, organization, control systems, and documentation for ensuring contractual requirements for the Project are met. The PMP establishes roles and responsibilities and summarizes how the CNS/BNI Project team will carry out the engineering, procurement, construction, startup testing, readiness, and transition to operations for this one-of-a-kind facility while satisfying the requirements of Prime Contract DE-NA-0001942 between DOE and CNS.

This PMP serves as a bridge to the UPF Project team's subordinate plans and procedures, which detail how management and control are implemented, and which are referenced throughout this document. Although document references are to specific revisions and publication dates at the time this version of the PMP was prepared, CNS/BNI will use the most current revision of these documents. The documents listed in **Section 6.0** are for reference only; official lists and current revisions are kept in the CNS/UPF document management system.

The scope of the subcontract between CNS and BNI provides for the use of BNI resources to support Project Management/Construction Management and use of BNI resources to support EPC management and execution. CNS/BNI will perform the approved scope using a combination of direct-hire construction and subcontracts, consistent with PL-CM-801768-A001, *Construction Management Plan and Execution Strategy*.

## 1.1 General Project Information

The goal of NNSA's UPF Project is to construct a modern, state-of-the-art facility to begin replacement of the aging EU processing facilities at Y-12, starting with selected capabilities in Building 9212. To meet this goal, a multi-facility option was selected. The multi-facility option consists of a central MPB constructed to nuclear standards commensurate with high-hazard materials and processes contained therein; an SAB constructed to standards commensurate with low-hazard materials and processes contained therein; and an MEB constructed to non-nuclear industrial standards. The design also includes support facilities, such as a Personnel Support Building (PSB), Cooling Towers, Fire Tank and Pump House, Diesel Generators, Construction Support Building (CSB), Substation, and the PSF. The intent of this approach is to install processing capabilities no later than 2025, and not exceeding $6.5B, that will allow transition of critical Building 9212 capabilities into UPF.

The UPF MPB contains the following: Non-Destructive Analysis/Waste Preparation, Furnaces and Repacking, Special Oxide Production, Casting, and spaces needed for process support such as the Shift Manager's Office, restrooms, and other personnel-related rooms.

The UPF SAB contains the following: Waste Preparation, Decontamination, Non-Destructive Analysis, the Clean and Contaminated Maintenance Shops, Chemical Recovery, Calcination and Leaching, Electronics and Calibration Maintenance, Filter Room, and other personnel-related rooms.

The UPF MEB is a standalone building housing mechanical; electrical; heating, ventilation, and air conditioning equipment; and other utility equipment and support systems. The utility infrastructure, building service systems, and process service systems will be designed to accommodate only the Project scope included in the currently defined multi-facility option.

The UPF has been designed to house the necessary capabilities and capacities to comply with the requirements of DOE/ORO-2171, *(U) Uranium Processing Facility Project: Replacement of Select Building 9212 Capabilities Subproject at Y-12 National Security Complex*, as well as guidance letters on the Highly Enriched Uranium Materials Facility (HEUMF) fire water supply.

System requirements are defined in SR-PE-801768-A001, *(U) System Requirements Document for the Uranium Processing Facility Project*. The overall Systems Engineering strategy for establishing, managing, validating, and verifying the design requirements for a fully integrated UPF Project is documented in PL-PJ-801768-A025, *Requirements Management Plan for the Uranium Processing Facility Project.* Criteria governing the facility and system design, are detailed in the multi-volume DE-PE-801768-A001, *Uranium Processing Facility Design Criteria* (DE-PE-801768-A001 through A053).

The UPF Project has identified, and NNSA has accepted, a defined set of standards and requirements under which the design and construction of UPF shall be conducted. This set of standards and requirements includes federal, state, and local laws and regulations, as well as DOE directives, such as orders, manuals, and standards. These standards and requirements, as well as other regulations, are referenced in PL-RM-801768-A001, *UPF Design Code of Record,* and represent the Project's Code of Record. Further discussion of the Code of Record is in **Section 3.1**. Additional documents and standards (e.g., engineering standards, technical Project documents, and Y-12-specific design documents) applicable to UPF are identified in the design criteria volumes as Other Design Records.

In May 2016, the DOE Deputy Secretary granted waivers from the DOE O 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, requirement for Leadership in Energy and Environmental Design (LEED) Gold Certification for six UPF Project buildings (COL-NNSA-UPO-PM-801768-A166). The MEB and PSF are to be designed and constructed to the minimum criteria to achieve LEED Certified and LEED Silver levels, respectively, but registering, applying for, and obtaining LEED certification is not required. The MPB, SAB, and PSB cannot achieve certification, while the Fire Tank Pump Building is not applicable because it will not be occupied. The CSB that is part of the Site Infrastructure subcontract is LEED Gold Certified.

UPF operations are described in PL-PJ-801768-A027, *Uranium Processing Facility Concept of Operations*. The facility is being designed for a 50-year operating life; increased efficiency in operations and maintenance; and minimized risk to employees, the public, and the environment through the use of engineered controls. FR-OP-801768-A001, *Uranium Processing Facility Operational Requirements Document,* establishes the operations and maintenance requirements for the UPF, which are used as a basis for the design.

### 1.2 Management Structure

The UPF Project will be managed in accordance with this PMP. A CNS/BNI core UPF Project team has been established to execute the Project, which is subject to change to address Project needs. The organization charts, including for the top management structure, can be found on the UPF Project website (https://upf.y12.doe.gov/sites/upFWEB/SitePages/OrgCharts.aspx).

The CNS positions in the core Project team provide Project direction, oversight, and support while ensuring auditable separation from execution of the BNI subcontract scope. The BNI positions perform Project EPC execution while maximizing integration across the EPC functions.

To isolate UPF to the maximum degree possible from the ongoing operations at the site to avoid impacts in either direction, UPF will interface with the functional/support areas within the M&O during all phases of the Project through a UPF CNS Integrated Project Team (IPT). The IPT will provide services to the Project as well as act as the interface between the UPF Project and the M&O. A UPF CNS IPT charter is in place (OT-PM-801768-A016). Services from other organizations (e.g., Security Interface, Production Support, Maintenance Support, Safety Basis, and Design Authority) will be coordinated through the CNS UPF Operators Representative and the Design Authority accountable to the CNS Project Director. Each organization will perform its particular function in accordance with its established procedures, policies, and interface control documents. The UPF Project team will be as self-sufficient as possible, drawing support from the M&O only when required.

During the execution of the Project, the UPF team has the ability to leverage corporate resources and talent as required. This could be in the areas of staffing needs in support of critical tasks, implementation of proven tools/processes, and subject matter expert review of selected work products. With the award of the subcontract to BNI for the EPC scope of the Project, Bechtel Nuclear, Security, and Environmental (NS&E) functional managers will have an increased role to provide the people, processes, and tools required to execute the UPF Project and implement the appropriate NS&E functional oversight.

During Project execution, the Design Authority will remain with CNS as part of CLIN0001, Design Agent will remain with CNS as part of CLIN0002, and design execution will be performed by BNI as the engineer of record. There will be significant interface and engagement with the Design Authority, a CNS responsibility as a member of the UPF CNS IPT. Those

interfaces will be defined and formalized in accordance with a formal process as defined in **Section 2.3** and as generally described in **Section 2.4** of this PMP.

The roles and responsibilities of the members of the core team are included in **Appendix A**.

### 1.3 Funding Resource Plan

The UPF Project data sheet identifies that design, construction, and other costs are executed utilizing Line Item funding. In general, engineering, procurement, and construction are funded from Line Item funds, which together make up the total estimated cost (TEC) for the Project. Project initiation, project closures, and operational readiness are funded through other Project costs, which with TEC makes up the total Project cost (TPC). The TPC includes management reserve and contingency. Each subproject has an associated baseline estimate for that scope of work. The basis of the estimate (BOE) has been detailed in documentation provided as part of the CD-2/3 submittals.

Using the BOEs and the input from Engineering, Procurement, Construction, and functional organizations, a TPC point estimate has been calculated and will be periodically updated. For planning purposes, a funding profile is assumed based on NNSA direction utilizing the fiscal year (FY) 2017 NNSA *Future Years Nuclear Security Plan* (FYNSP), and no more than $750M per FY thereafter (COR-PS-4.27.2017-732484).

### 1.4 Critical Decision Execution Strategy Summary

The Project's CD strategy has been modified to align with the selected facility design approach and execution strategy (WP-PM-801768-A036, *Uranium Processing Facility Project Critical Decision Strategy*). The revised strategy consists of issuing multiple request packages for specifically defined scope. To the extent practical, each package will be complete and standalone for the scope of the CD request, and each package will be baselined and ready to start line-item activities upon receipt of approval. **Table 1** is the listing of CDs recommended by NNSA (COL-NNSA-UPO-PM-801768-A063) and key approval milestones at the time of this document's revision. In accordance with DOE O 413.3B, *Program and Project Management for the Acquisition of Capital Assets,* the final TPC baseline will be established when the final CD-2/3 package is negotiated.

**Table 1. Critical Decision Milestones (current forecast)**

| Critical Decision | Submittal to UPO (A = Actual; CY = Calendar Year) | Approval (A = Actual; CY = Calendar Year) |
|---|---|---|
| CD-0 Mission Need | --- | 12/17/2004 A |
| CD-1 Alternative Selection and Cost Range | --- | 07/25/2007 A |
| CD-1 Reaffirmation Alternatives Analysis | 02/15/2012 A | 06/08/2012 A |
| CD-2/3 Site Readiness | 10/31/2012 A | 01/29/2013 A |
| CD-2/3 Site Infrastructure & Services | 01/29/2015 A | 03/04/2015 A |
| CD-4 Site Readiness | 02/11/2015 A | 02/27/2015 A |
| CD-3A Site Preparation and Long-Lead/Bulk Procurements | 07/30/2015 A | 03/30/2016 A* |
| CD-2/3 Substation** | 06/01/2016 A | 08/31/2016 A |
| CD-2/3 Mechanical Electrical Building (MEB) | 08/23/2016 A | Dec 2016 A |

| Critical Decision | Submittal to UPO (A = Actual; CY = Calendar Year) | Approval (A = Actual; CY = Calendar Year) |
|---|---|---|
| CD-3B Long-Lead Gloveboxes, Skids, & Select Procurements | 10/13/2016 A | Jan 2017 A |
| CD-2/3 Salvage and Accountability Building (SAB) | 08/25/2017 A | 03/21/2018 A |
| CD-2/3 Main Process Building (MPB) | 08/25/2017 A | 03/21/2018 A |
| CD-2/3 Process Support Facilities (PSF) | 08/25/2017 A | 03/21/2018 A |
| CD-4 Project Closeout | Oct 2024 | 27 Nov 2025 |
| MEB CD-4 | 18 Jan 2022 | |
| SIS | 28 Feb 2018 A | |
| Substation CD-4 | 04 Dec 2019 | |
| MPB | 27 Nov 2025 | |
| SAB | 27 Nov 2025 | |
| PSF | 27 Nov 2025 | |

*CD-3A Site Preparation was conditionally approved in March 2016, contingent on approval of an Amended Record of Decision (AROD). The AROD was approved July 5, 2016, and full notice to proceed was granted to the Project on July 8, 2016.
**CD-2/3 Substation submittal was prepared by UPO with support from CNS.

# 2.0 EXECUTION STRATEGY AND APPROACH

## 2.1 Procedures/Processes

As the BNI subcontract was finalized, existing CNS procedures, including Y-12 site and UPF Project-specific procedures, were reviewed to ensure continuity of operations upon migration to the BNI subcontract. In addition, new procedures were identified that are required to support the implementation of the BNI tools and processes. During the development of these new procedures, some of the existing procedures required modification or deletion. A revision to Y15-95-235, *UPF Command Media*, has been executed to facilitate changes to the UPF Project's suite of procedures.

## 2.2 Work Breakdown Structure and Responsibility Assignment Matrix

The UPF Project technical scope is organized by a Work Breakdown Structure (WBS). The WBS is a hierarchy of elements that organizes and displays the required scope to be performed, thus serving to establish and control the scope baseline as well as the associated cost and schedule. The WBS breaks down the work to a level where roles and responsibilities can be assigned. The WBS is charted in WBS-PC-801768-A002, *CNS Y-12 UPF Project Work Breakdown Structure,* and initial phases of work are described in WBS-PC-801768-A001, *Uranium Processing Facility Project WBS Dictionary*. Control Account Managers (CAMs) are designated at appropriate levels for managing specific assigned scopes within the established schedule and budgets.

The Responsibility Assignment Matrix (RAM) integrates the Organizational Breakdown Structure with the WBS to create an intersection or Control Account that assigns responsibility for scope, cost, and schedule for specific WBS elements to a responsible organization or team member. The RAM relates the Project's organization to the anticipated work for ensuring that all components of the work are properly attributed to a responsible organization or team member

and are documented in CAM notebooks. The UPF RAM helps in making sure all components of the Project are properly assigned and that resources are being used to their utmost advantage. The WBS and RAM will be updated as appropriate.

## 2.3 Cross-Functional Interfaces

While the UPF Project, including CNS and the BNI subcontract, is organized in a traditional functional organization approach, an integrated team culture is expected and required. The purpose of this integrated execution approach is to improve safety, quality, inter-discipline communication, efficiency, productivity, and decision making ownership and accountability; to foster cooperation; and to focus on completing the work scope. Typical areas where the integrated team concept is employed are during the design phase with meaningful constructability reviews, potential material/equipment vendor consolidation, and overall EPC sequencing and integration.

In addition to the cross-functional interfaces within the UPF Project team, there are interfaces, support, and services required from other organizations across Y-12 and other government agencies (e.g., Tennessee Valley Authority and US Army Corps of Engineers). To manage these interfaces, Interface Control Documents (ICDs) have been established with each affected organization within CNS, in accordance with Y13-95-801, *UPF Interface Control Document (ICD) Procedure*. UPF ICDs document the interface agreements between the UPF Project and functional organizations within Y-12. The intent of these ICDs is to define roles and responsibilities that both parties will adhere to for providing support resources, services, or Project work to UPF. Changes to these ICDs will be coordinated and overseen by the UPF CNS integrated team. Impacts to the Project resulting from changes to the ICDs will be processed through the Project change control processes (i.e., trends, baseline change control).

## 2.4 CNS Oversight

Consolidated Nuclear Security, in addition, will provide BNI subcontract oversight, which is defined as either organizational or administrative.

Organizational Oversight

CNS has a senior manager, the CNS UPF Project Director, assigned to the UPF Project. The CNS UPF Project Director has full authority and responsibility for Project oversight and control and directly reports to the CNS Chief Executive Officer. The CNS UPF Project Director has under his direction subject matter experts (SMEs) who function as organizational leads for the Safety, Security, and Quality Assurance Project functions. Plans and documentation used by the SME leads for oversight are further described in the Administrative Oversight section that follows. Additional oversight of BNI functions and work products comes from BNI corporate resources. Functional managers and SMEs from BNI corporate conduct formal and informal reviews of activities and work products of BNI in the role of BNI management. The Key Activities for Successful Execution (KASE) reviews were examples of the formal oversight and were used for reviewing the readiness of the teams for performing the MPB, SAB, and PSF subprojects.

Administrative Oversight

Administrative oversight is provided through technical and procurement-related policies and procedures to establish standards and requirements for subcontracts whether the work is performed onsite or at other Y-12-operated, -leased, or -managed properties. The Subcontract Administrator (SA)/Subcontract Technical Representative (STR) is responsible for managing,

monitoring, and ensuring compliance with the technical and business requirements of the subcontract, while working with other representatives; SMEs from Quality and Operations; Facility specialists; Environment, Safety, and Health (ES&H); and Security to ensure that all subcontract requirements are met. Notable oversight functions of the SA and STR are as follows:

- Monitor performance of the subcontractor to ensure compliance with technical, quality, ES&H, security, and other requirements of the subcontract.
- Direct the subcontractor to perform with exactness the technical requirements and the administrative requirements set forth in the subcontract.
- Verify subcontractor's flowdown of requirements to lower-tier subcontractors.
- Participate, as necessary, in subcontractor surveillances.
- Ensure that the subcontractor segregates the work, materials, and expendable supplies when performing work on multiple subcontracts wherein one or more of the subcontracts is performed on a cost-reimbursable basis.
- Understand and monitor (in the field on a regular basis if work is being performed onsite) what the subcontractor is doing; verify that the subcontractor is performing the specified work as described in the subcontract; use SMEs as needed to assist in determining the acceptability of deliverables and services, and to ensure that subcontract requirements are met.
- Inspect or review all subcontract deliverable(s) or services(s) in order to determine the technical acceptability of each deliverable or service required by the subcontract, and, if appropriate, route to SMEs for assistance.
- Check subcontractor personnel periodically to verify that they are of the skill level required.
- If applicable, monitor Subcontractor Labor Relations, reporting potential and actual labor disputes to appropriate labor relations personnel.

As presented in the preceding list, there are CNS senior managers on the UPF staff that lead the Safety (i.e., ES&H), Security, and Quality Assurance programs and functions who report directly to the CNS UPF Project Director. Plans and documentation used by these functions include:

- Safety: PL-SH-801768-A008, *Uranium Processing Facility CNS ES&H Oversight Plan*
- Security: Various Y19 and Y19-95 (Project-specific) procedures, such as E-PROC-3123, *Identification and Protection of Unclassified Controlled Nuclear Information and Official Use Only Information*; Y19-203, *Manual for the Protection and Control of Classified Matter*; Y19-023, *Physical Protection Manual*; Y19-018, *Badging and Identity Proofing*, and Y19-95-032, *Foreign National Activity Reporting*
- Quality Assurance: Y60-95-102PD, *UPF Quality Assurance Program Description (QAPD)*.

The engineering and procurement functions have differing forms of oversight. As the engineer of record, BNI Engineering receives formal oversight by CNS Mission Engineering, the Design Authority, in compliance with the Contract Statement of Work. BNI Procurement receives oversight from several sources. CNS Procurement performs the formal Consent functions as required by the Contract and Subcontract. They also have performed detailed review and approval of the BNI "proformas," which are the terms and conditions, and other information used

for the various types of procurements. The Bechtel Procurement System (BPS), used by the UPF Procurement group, is audited regularly by the Defense Contract Management Agency Contractor Procurement System Review process, which results in formal approval of the system. There is also procurement review in the form of invoice reviews accomplished by the STR.

Construction activity will be completed by BNI, BNI lower-tier subcontractors, and CNS direct-hire craft. The CNS STR is responsible for oversight of BNI field activities as described in Y30-811, *Subcontract Management Program Manual*, and performs these duties with assistance from CNS Construction Management. Oversight of lower-tier subcontractor construction activities is the responsibility of the assigned BNI STRs, assisted by BNI Field Engineering and Construction Management. BNI STR oversight is performed in accordance with UPF Subcontractor requirements, procedures, and UPF Subcontract Management procedures.

The process for deploying and managing craft labor starts when CNS Construction Management and BNI Construction Management agree to the SOW to be performed by CNS craft resources prior to the need in the field. CNS identifies and acquires the appropriate craft(s), coordinates completion of report-to-work requirements, and assigns craft to the BNI SOW. BNI field superintendents monitor craft performance to ensure that the scope is accomplished as agreed, and they provide regular feedback to CNS Construction Management regarding status and issues encountered. Upon completion of the scope, the craft resources are released for re-assignment.

Earned Value Management System

The UPF Project adheres to the CNS Earned Value Management System (EVMS) procedures and system description, under which CNS is certified by the DOE Office of Project Management Oversight and Assessments (PM-30). As part of its oversight role, CNS will conduct periodic surveillances of BNI's implementation of EVMS processes on UPF.

## 2.5 Functional Execution

Each functional area is responsible for meeting the Project staffing requirements and for executing its SOW in accordance with approved procedures and policies. The Project will significantly engage with CNS/BNI functional managers to support staffing needs, obtain and receive technical guidance, and review completed activities to ensure they are in accordance with expected quality and baseline requirements.

### 2.5.1 Engineering

The UPF Project engineering strategy is defined by PL-PE-801768-A002, *Engineering Execution Plan for the Uranium Processing Facility Project,* (EEP), which describes the UPF Engineering organization's role in the Project and how the design and engineering for UPF will be executed. The EEP complements and augments this PMP with the appropriate level of detail necessary to engineer a project as large and complex as UPF. Key items identified in the EEP include:

- Engineering organization and interfaces, which define the Project Engineering organization in detail, as well as interfaces with other team members
- Division of responsibilities, which defines engineering organizational responsibilities with respect to Project scope and execution

- Design strategy, which defines the technical goals and objectives for design deliverables and level of completeness
- Interface with Y-12 Mission Engineering relative to engineering design authorization, safety engineering, and requirements and surveillance
- Subcontracting strategy, which defines when and how the design will be subcontracted, and includes scope, value, subcontract type, and selection method
- Engineering planning tools and methods used to manage and control the design
- Design process procedures and methods used to execute the design and control organizational and technical interfaces
- Engineering deliverables to other Project functional groups, which define the organization and deliverables that are due to other functional groups
- Engineering automation tools, which summarize the information technology and engineering automation plan strategy
- Implementation of value management/value engineering studies.

The UPF Criticality Safety program follows the Y-12 plant program, which is principally driven by Y70-150, *Nuclear Criticality Safety Program,* and Y70-160, *Criticality Safety Approval System*. DE-PE-801768-A004, *UPF Criticality Safety Design Criteria*, contains general requirements for design and points to criticality safety process studies for specific requirements for the process systems.

Safety basis documents will be developed for each phase of the Project and will be submitted for the UPF Field Office (UPO) and the NNSA Production Office (NPO) to review, and for NPO to approve as required. Several analyses have been completed, such as a Preliminary Fire Hazards Analysis, criticality safety process studies, and Facility Safety hazards analysis documents. Results from these analyses and studies have been reflected in safety basis documents, as appropriate. The safety basis documents include RP-EF-801768-A057, *Conceptual Safety Design Report* (Superseded), RP-EF-801768-A076, *Preliminary Safety Design Report* (Superseded), and RP-EF-801768-A191, *Preliminary Documented Safety Analysis*. Consistent with DOE-STD-1189, *Integration of Safety into the Design Process,* safety structures, systems, and components (SSCs) and defense-in-depth or important-to-safety items are defined and requirements have been implemented into the system design criteria documents. SSCs have been assigned quality levels as defined in the safety basis documentation, in accordance with procedure Y15-95-200, *UPF Graded Approach to Quality*. The safety requirements necessary for construction of UPF have been documented in the Preliminary Documented Safety Analysis. During construction/startup, the Documented Safety Analysis will be developed and implemented to support the Project readiness for operations.

While this PMP defines the overall management approach for the Project, PL-PJ-801768-A017, *Systems Engineering Management Plan for the Uranium Processing Facility,* describes the UPF Project's strategy for the planning, control, and conduct of a fully integrated engineering effort. PL-PJ-801768-A017 describes the process and methods used to clearly define the Project mission and requirements; evaluate, select, and verify the best design from identified alternatives; control interfaces; manage risk; and integrate technical work and engineering disciplines.

Configuration Management (CM) is an integrated management process that establishes (1) the design requirements, (2) the design/operations documentation, and (3) the physical/functional configuration of a SSC and maintains consistency among these items. The CM program maintains effective control of a facility's as-built arrangement and operation/maintenance to

ensure compliance with approved and/or accepted technical design requirements and other governing criteria. Control of the facility's as-built configuration begins with the input into the facility design at the pre-conceptual stage and extends through final design, construction, startup, and operation.

In accordance with the programmatic configuration management requirements set forth in Y15-004PD, *Configuration Management Program,* the UPF Project has developed a Project-specific CM program as outlined in PL-PM-801768-A052, *UPF Configuration Management Plan*.

In addition, because BNI has been selected as the subcontractor to execute the UPF Project, Bechtel procedures have been incorporated into the UPF Project procedures to guide the design phase of the Project. See UPF-specific procedures in the reference list and on the UPF website.

The CNS Design Authority is responsible for defining the operational, high-level design, nuclear safety, and mission requirements for UPF engineering scope. The Design Authority is also responsible for ensuring that the design output accurately implements and meets the operational, high-level design, nuclear safety, and mission requirements. CNS Design Authority will control changes to the technical baseline through the Technical Change Control Board by reviewing proposed changes to ensure that they continue to reflect baseline design requirements. CNS Design Authority will ensure the technical adequacy of the requirements management process, ensuring design integrity of the structures, systems, and components throughout the UPF Project. These responsibilities are applicable regardless of whether the design is conducted fully in house, partially contracted to outside organizations, or fully contracted to outside organizations.

CNS Mission Engineering responsibilities are accomplished by a staff of Design Authority Representative (DARs), engineers, and system engineers. The staff is assigned by CNS Mission Engineering to the UPF Project to establish and maintain the design requirements and design bases, and to ensure that the design basis and design requirements are interpreted and applied correctly. Additionally, the staff is assigned to ensure that lessons and practices adopted by Y-12 for operations are applied into the design outputs, and to facilitate knowledge-transfer supporting Y-12 operation of UPF. DARs provide independence of review and oversight as necessary to ensure the design basis requirements are met and appropriately applied to procurement, construction, testing, startup, and turnover activities.

DARs for the UPF Project maintain functional and technical reporting responsibility to the CNS Mission Engineering design authority. They are accountable to the CNS Mission Engineering Design Authority to ensure criteria are incorporated into the design.

### 2.5.2 Procurement

BNI will execute UPF procurements using the Government-approved Bechtel Procurement System (BPS), which has been implemented on the Project with appropriate training for procurement staff. This approved system includes BNI procedures, processes, and the automated BPS. Additionally, BNI *pro forma* procurement documents have been modified as required by the CNS subcontract to BNI for UPF.

In accordance with the CNS to BNI subcontract (4300092953) and UPF Contracting Officer correspondence dated June 15, 2016, the Subcontract Notice and Consent Thresholds are documented in PL-PM-801768-A064, *CNS Surveillance Plan for Subcontract 4300092953 – CNS Supply Chain Management*. Bechtel uses several automation applications for supply chain

management tailored for engineering and construction projects. For UPF, the Procurement automation applications could include:

**Bechtel Procurement System (BPS)**, which includes multiple applications that integrate all elements of the purchasing process from the requisition to receipt and maintenance of material and equipment. The system also has an interface capability with the Bechtel Oracle Accounts Payable system. BPS provides the automated system to track goods and services through its various modules and interfaces, as noted in the following list:

- **Requisitions**—prepare requisitions from organizations such as engineering, construction, and office services
- **Purchasing**—receive requisitions, prepare bid documents, prepare bid tabs, and prepare award documents and award purchase orders (goods) and subcontracts (services) with appropriate approvals
- **Expediting**—track supplier delivery of goods in accordance with Purchase Order requirements
- **Supplier Quality**—issue surveillance assignments, receive reports, and track deficiency reports, including anomaly trends
- **Traffic and Logistics**—plan and track shipments of goods from suppliers to jobsite as well as module assembly yards if applicable
- **Field Procurement**—receive material, track inventory and warehouse location, and issuance to construction. Also buy field material, track shipping damage and returns, monitor storage.

Other Procurement automation applications include:

- **Property Management (Sunflower)**—accountability database used to manage and control all US Government property that the Project obtains, through procurement, transfer or other means
- **Subcontract Administration (eSub)**—used to administer all subcontracts (i.e., bonding, changes, payments, etc.), to monitor and report progress, as well as to perform subcontract closeout
- **Purchasing Card (BCard)**—to procure goods and services where single transactions cost less than $10,000
- **Supplier Quality and Expediting Application Suite (SQEAS)**—used by both Supplier Quality and Area Expediting personnel to manage shop visits and track the manufacturing, quality, and progress of a supplier
- **Ready for Shipment Checklist (RFSC)**—provides an electronic approval process that verifies all requirements have been met for Purchase Order material line items deemed ready for shipment
- **Expediting Report Hub**—an automated application that generates the majority of the essential reporting done by Procurement Expeditors, reducing the non-value-added portion of an Expeditors time spent on this activity.

The BNI UPF Procurement organization is responsible for procuring the materials, equipment, and design and construction services necessary to support the Project. The procurement strategy is documented in PL-PR-801768-A002, *Procurement Execution Plan for the Uranium Processing Facility Project*. Teams consisting of Quality, Engineering, and Procurement personnel provide vendor qualification and surveillance as well as oversight for factory

acceptance testing in accordance with UPF-SUPPLIER-QUALITY-MANUAL, *UPF Supplier Quality Manual*.

In accordance with Y60-95-102PD, *Project Quality Assurance Program Description,* (QAPD), based on American Society of Mechanical Engineers (ASME) NQA 1 2008, *Quality Assurance Requirements for Nuclear Facility Applications,* with the 2009 addendum and DOE O 414.1D, *Quality Assurance*, the flowdown of Quality requirements to suppliers and contractors will be on a graded approach. For all SSCs with a quality-level other than Commercial, engineering completes a Technical Evaluation of Critical Attributes and Mitigation (TECAM). The TECAM specifies the critical attributes requiring verification to provide reasonable assurance that the assigned safety/critical functions have been achieved. Suppliers will be selected based on their ability to reliably meet the requirements of the technical specifications. The Project may supplement selected suppliers with additional surveillance, verification, inspections or tests that ensure products meet their intended form, fit, or function, as well as their critical attributes as defined in the TECAMs. Flowdown requirements may range from NQA-1 to selected industrial standards or commercial control depending on the review and quality level of the item being procured as well as the supplier's capabilities. The UPF Project has developed a commercial grade dedication (CGD) process for procuring materials and equipment meeting nuclear quality assurance safety requirements, including NQA-1a-2009, Part II, subpart 2.14 requirements for Commercial Grade Dedication, allowing the Project to make decisions on the best way to procure items that have a safety function.

The UPF Project team is actively pursuing and engaging small businesses for participation in the Project. The Project’s proposed execution strategy is to use small businesses for performing specific work packages matching their capability, or for providing staff augmentation to service organizations. The Project procurement team participates in externally sponsored events, such as the DOE Small Business Conferences, where suppliers learn about procurement opportunities. The Project has established strong support with a variety of organizations that are focused on supporting the UPF Project and its outreach efforts. Some of these organizations include the State of Tennessee's Economic and Community Development Organization, the University of Tennessee's Center for Industrial Services (CIS), and the Tennessee Manufacturing Association. These forums will allow interested suppliers and subcontractors to understand further UPF's mission needs, acquisition strategies, and schedules, as well as providing UPF with a directory of service and material providers. In addition to the Project’s outreach efforts, the State has offered to provide attractive relocation packages for businesses willing to relocate to Tennessee to serve the Project. The University of Tennessee's CIS is conducting training classes for businesses to learn the skills necessary to be qualified suppliers on UPF.

BNI has established its Project Small Business Goals for UPF, as shown in **Table 2**.

**Table 2. BNI Small Business Goals**

| Category | Goal |
|---|---|
| Small Business | 29% |
| Small Disadvantage Business | 5% |
| Women Owned Small Business | 5% |
| Veteran Owned Small Business | 3% |
| Service Disabled Veteran Owned Business | 3% |
| HUBZone | 3% |

The Bechtel approach to procurement involves establishing a variety of strategies that best fit the market availability and the Project's risks. Procurements are aligned by products. **Table 3** describes each of the four core tiers and their associated supply chain objectives.

**Table 3. BNI Procurement Strategies**

| TIER | Description | Supply Chain Objective |
|---|---|---|
| I | Primary Process Engineered Equipment | Each acquisition will be evaluated based on its own merits to determine the appropriate acquisition strategy and basis of award. |
| II | Custom Fabrication and Equipment | |
| III | Pre-engineered Equipment | |
| IV | Commercial Off-the-Shelf | |

Each major product is assigned one of these tiers, which helps establish the approach to vendor selection. The requisition packages are delineated in RP-PJ-801768-A015, *UPF Material Assignment Schedule (MAS)*, which is a listing of procurement packages that the Procurement organization uses for planning purposes. All requisition packages are added to BPS and the integrated Project schedule for appropriate tracking, monitoring, and control.

### 2.5.3 Construction

BNI will serve as the Construction Manager/General Contractor and provide oversight and integration of direct-hire construction activities and multiple construction subcontractors. CNS will provide the direct-hire resources at the request of BNI. BNI field superintendents will monitor craft performance and provide feedback to CNS Construction Management regarding status and issues encountered. The construction execution strategy is detailed in PL-CM-801768-A001, *Construction Management Plan and Execution Strategy*. UPF Construction Management is responsible for:

- Construction planning
- Constructability reviews
- Supporting Procurement for solicitation and award of construction subcontracts
- Receipt and warehousing of materials and equipment through the Procurement organization
- Management and oversight of construction subcontracts
- Manage direct-hire construction work

- Inspection and acceptance of construction activities
- Interface and support of federal direct contractors.

UPF construction will occur in a highly congested area, and interfaces will be required between multiple BNI subcontractors, direct-hire craft personnel, and potentially other UPO direct contractors. To facilitate the level of coordination required, Construction has instituted a UPF Construction site area map, in addition to conducting a plan-of-the-day meeting and requiring all personnel accessing the UPF Construction site to be briefed and to sign in and out of the area. The Project will have onsite and off-site warehousing to receive, store, protect, and maintain vital and sensitive equipment and materials. Shuttle services will transport craft between parking areas and the construction work face. Reference PL-CM-801768-A021, *UPF Project Site Infrastructure Plan*, for detail regarding on-site UPF Construction support facilities, parking, traffic flow, and equipment logistics.

With the approval of the CD-2/3 package for the MPB, SAB, and PSF subprojects in March 2018, staffing for the scope of construction work began immediately. For a number of potential reasons, key craft resources may be in high demand and of limited availability. Reference RP-PM-801768-A065, *Uranium Processing Facility Labor Assessment*, conducted in July 2017. Plans to attract and retain the quantity of qualified key craft resources required to build UPF have been discussed with the local building and construction trade unions, and this open dialogue will continue throughout the construction phase of UPF. Relationships have also been established between corporate partners at the unions' national levels, and will be relied upon as Construction Management identifies the need for qualified craft labor relative to Construction scheduling strategies.

Automation tools required to support UPF Construction have been deployed. These tools include a personnel tracking system (proximity badges) to ensure accountability for emergency management purposes and for daily reporting, and the TEAMWorks software, which is BNI's corporate software for tracking equipment and material and quantity reporting.

CNS Construction Management and BNI Construction Management have an ICD defining the roles and responsibilities and authorities between the organizations. The ICD, coupled with close coordination and communication between CNS and BNI Construction Management, will ensure that craft needs are communicated and documented. CNS will hire the direct-hire craft. UPF Human Resources (HR) will in-process the craft once the Project transitions to an off-site onboarding facility. This will allow for more efficient onboarding of craft for the Project.

### 2.5.4 Startup and Commissioning

The BNI subcontract SOW includes testing/commissioning and turnover of the UPF Project to operations for cold operation and readiness preparation. Testing and commissioning are necessary to ensure that the as-installed systems are fitted according to design, and that the systems and processes perform to design-specified functional acceptance criteria, ensuring that systems and processes are capable of meeting operating requirements. A comprehensive and coordinated test program for UPF will identify the essential elements to validate to ensure that components, systems, integrated systems, and processes within specific areas are fully functional and will support safe and reliable operations. The UPF testing program will validate structures, systems, and components (SSCs) in a cost-effective manner to allow for an orderly transition to operations.

PL-PJ-801768-A009, *Uranium Processing Facility Commissioning Management Plan*, describes the process, roles and responsibilities, and essential elements of commissioning. For the UPF Project, the commissioning process begins in the design phase, continues through construction, testing, turnover to operations, and readiness confirmation.

PL-SU-801768-A001, *Uranium Processing Facility Project Test Plan,* provides guidelines for the implementation of UPF preoperational testing activities and the compilation of records and documentation required in accordance with E-PROC-3011, *Test Program Manual*. A graded approach will be implemented in accordance with UPF-specific procedures for UPF testing activities to ensure that proper resources and levels of effort are applied to those areas most important to the achievement of safety and reduction of risk in an efficient manner. A strategy for Project completion for each subproject is defined in PL-PM-801768-A048, *UPF Project Completion Criteria Strategy*, and PL-PJ-801768-A030, *Key Performance Parameter Verification Plan for the Uranium Processing Facility Main Process Building, Salvage and Accountability Building, and Process Support Facility Subprojects.*

The NNSA has approved the CNS Startup Notification Report addressing the readiness reviews planned for UPF. The UPF Project will conduct a single Contractor Operational Readiness Review (ORR) for the UPF facilities and processes. Following the Contractor ORR, NNSA will perform an ORR in time to receive startup authorization. These readiness reviews will ensure that people, plant equipment, and procedures are ready to operate and maintain the equipment, systems, and facilities.

As part of the Contractor ORR process, Implementation Validation Reviews will be performed for the facilities and the processes.

Each subproject that involves security-related features or that could affect the security strategy for Y-12 will undergo a screening evaluation in accordance with Y19-51-006, *Safeguards and Security Specification Documents*, that includes the various components required for operation, including post orders, personnel training, and the compensatory measures that could be needed. This Specification Document assists Security with the planning, documenting, and performance of work in an integrated manner, meeting the core functions and principles of Integrated Safety Management (ISM) and Integrated Safeguards and Security Management (ISSM).

The verification of readiness of security features is documented in accordance with DOE O 425.1D, *Verification of Readiness to Start Up or Restart Nuclear Facilities*, and in PL-PJ-801768-A009, *Uranium Processing Facility Commissioning Management Plan*.

### 2.5.5 Transition to Operations/Closeout

Subproject plans have been developed for UPF's subprojects to summarize the completion strategy for each subproject and transition of completed scope from one subproject to the next.

The strategy for UPF's transition from Construction to Operations is currently documented in PL-PJ-801768-A009, *Uranium Processing Facility Commissioning Management Plan*, which depicts the commissioning process through the readiness reviews and startup authorization. PL-PJ-801768-A009 will be supplemented by Y-12's PLN 9212-F-0099, *9212 Exit Strategy*, which describes the main activities associated with moving EU operations out of current facilities and into UPF following start of operations. EU operations transition is outside the scope of the UPF Project.

The plan for maintenance of UPF and its processes is documented in PL-MA-801768-A001, *Uranium Processing Facility Maintenance Execution Plan*, and PL-MA-801768-A002, *UPF Maintenance Transition Plan*.

Turnover of Project components that will belong to Security will be scheduled as separate activities from turnover to Operations. Security will take advantage of early opportunities to begin familiarization and training inside the facility on the off shifts even while construction activities continue. This early-phase approach allows security to receive approval from NNSA Headquarters in time to support Operations during their cold ops activities and allows opportunities for revision to post orders, training, and continued familiarization with the facility.

The UPF Project's scope will be complete when testing and readiness activities are successfully concluded, startup authorization is granted, all systems are turned over to Y-12, and all documentation is transferred to the Facility Records Document Management Center (DMC).

Following startup authorization, a formal CD-4 to close out the UPF Project will be initiated. The CD-4 request will be based on the NNSA ORR for UPF. Project closeout activities will include Project Lessons Learned, technical cost and schedule baseline accomplishments, final cost report, photographic documentation, and Project completion status documented in initial and final Project closeout reports.

### 2.5.6 Records Retention

Records management and document control for the UPF Project is managed in accordance with Y15-95-806, *UPF Records Retention and Turnover*, applicable UPF procedures, and in accordance with DOE O 243.1B, Chg 1, *Records Management Program*. Document control and records management are accomplished through the following process:

- Identifying potential documents to be created
- Identifying those documents that require special controls during use
- Establishing clear direction for the UPF Project team regarding responsibilities for records and for turnover to Y-12
- Establishing and maintaining a consistent and controlled process for maintaining these records.

Records developed in the execution of the Project are provided to, managed by, and maintained by the Project DMC as described in PL-PJ-801768-A001, *Document Control and Records Management Plan for the Uranium Processing Facility Project*. InfoWorks™ is used to manage the records and to perform document control for UPF. A records retention and turnover plan will be prepared and maintained to facilitate Project closeout.

### 2.5.7 Automation

The UPF Project's Information Systems and Technology organization provides a number of automation elements that enable the Project to perform work. These services include supplying personal computers and related equipment, providing user accounts, delivering user support, handling application deployment and support, furnishing application software licenses, delivering data access and storage, managing cyber security in accordance with the customer requirements, and maintaining network connectivity at all UPF locations. A UPF automation plan has been developed that identifies all applications required to support the execution of the UPF Project. An ICD is in place documenting the sharing of services from CNS to UPF.

### 2.5.8 Training

The Training organization for the UPF Project includes programs and processes to ensure that Project personnel are prepared to perform their assigned tasks. The processes include development, scheduling, maintenance, and delivery of Project-specific training courses. The Training organization is responsible for monitoring and reviewing regulatory compliance requirements to ensure that employee training meets the intent of a safe, secure, and knowledgeable workforce. An ICD is in place documenting the sharing of services between CNS and UPF.

## 2.6 Key Activities for Successful Execution (KASE)

The UPF Project used the KASE process up through Gate Review 6, Major Construction. Its use increases assurance that the Project will be successful because of the focus placed on key activities that occur during each phase of the Project. The process also provides an additional avenue for BNI functional management oversight and reach-back into corporate expertise and support.

Key benefits of the KASE process include the following:

- Ensures a thorough approach to Project execution
- Provides a self-assessment process driven by the Project Director
- Focuses the Project team on timely development and quality of deliverables
- Defines a process by which functional management, both on-Project and affiliate company, can provide consistent oversight
- Increases the certainty of a successful Project outcome.

In August 2017, CNS submitted to UPO, via Letter COT-NNSA-UPO-PM-801768-A287, the results of the KASE Gate Reviews for 4B, 5, and 6. UPO participated in those reviews. In the future, CNS plans to use functional and technical readiness reviews periodically to increase awareness and levels of preparedness for performing specific activities, thereby demonstrating a level of adequacy and increased visibility, and ensuring a higher probability of success. These reviews will provide an appropriate level of UPO participation, as defined by the Project team in consultation with UPO.

# 3.0 PROJECT BASELINE

## 3.1 Scope of Work

The UPF Project's scope is defined in a technical baseline consisting of requirements, range of work, and key performance parameters. As Project work progresses, the technical baseline matures to include other documents, including final design details and safety basis documentation, which will form the basis for the design of record. The technical baseline documents, including safety basis documentation, are compiled in RP-PM-801768-A062, *Final Design Report for the UPF Project MPB, SAB, & Support Facilities*, and RP-PM-942600-A001, *Final Design Report for the UPF Mechanical and Electrical Equipment Building*.

The Project scope is described in WBS-PC-801768-A001, *Uranium Processing Facility Project WBS Dictionary.* The scope is outlined in more detail in the following documents:

- RP-EG-801768-A086, *UPF Project Scope of Facilities*
- PL-PM-801768-A058, *UPF Project Definition for CD-3B Long-Lead Gloveboxes, Skids, and Select Procurements*.
- PL-PM-942404-A001, *UPF Project Definition for CD-2/3 Process Support Facilities (PSF) Subproject*
- PL-PM-922601-A001, *UPF Project Definition for CD-2/3 Salvage and Accountability Building (SAB) Subproject*
- PL-PM-922600-A001, *UPF Project Definition for CD-2/3 Main Processing Building (MPB) Subproject*
- PL-PM-801768-A054, *UPF Project Definition for CD-2/3 Mechanical Electrical Building (MEB) Subproject*

These documents contain scope descriptions that are summaries of the facilities and processes to be constructed by the UPF Project. Engineering documents, drawings, and calculations must be consulted for specific details on facilities, equipment types and sizes, and the work activities necessary to complete the UPF Project.

The UPF Project has identified, and NNSA has accepted, a defined the set of standards and requirements under which the design of UPF shall be conducted. This set of standards and requirements includes federal, state, and local laws and regulations, as well as DOE directives, such as orders, manuals, and standards. These standards and requirements, as well as other regulations, are controlled through PL-RM-801768-A001, *UPF Design Code of Record*. They are also referenced in individual sections of the Design Criteria. Changes to the Design Code of Record require approval of the Senior Management Change Control Board, chaired by the Federal Project Director (FPD).

Additional contractual documents and standards are identified in PL-RM-801768-A002, *Other Basis Records for the Uranium Processing Facility Project*. Changes to Other Basis Records are controlled by the Senior Management Change Control Board.

### 3.2 Schedule Baseline

The UPF Project schedule includes activities to execute planning, engineering/design, procurement, facility construction, equipment installation, startup testing, and operational readiness. For schedule development, the Project is using Primavera P6 Professional Project Management™ software. The detailed Project schedule is contained in a P6 database from which schedule reports are issued periodically. Upon submittal of a subproject baseline, the Project will maintain and update Level 1 and 3 schedules on a monthly basis. The Level 1 schedule summarizes the overall Project, showing start/finish for the Project phases and the major milestones. This Project Management Schedule is usually a one-page document. The Level 3 Integrated Project Control Schedule uses the critical path method to show the logic dependencies of engineering, procurement, contracts, construction, and startup/readiness activities, major and intermediate Project milestones, and the critical path of the Project. The level of detail demonstrates key interfaces and is resource-loaded to provide control metrics. The Level 3 Integrated Project Control Schedule is used to monitor progress and to provide Project reports and submittals.

The UPF Project will schedule health metrics as requested by UPO and PM30, inclusive of Acumen Fuse, are run monthly and provided to UPO (i.e., Christenson, Folden, Bocskovits,

Clayton, and Carson). The reference to “quarterly” will be deleted. The ranges used in the metric will be prepared and reviewed with UPO.

The Level 3 baseline schedule will be updated monthly with approved scope changes through Baseline Change Proposal (BCP) process, as necessary

### 3.3 Cost Baseline

The UPF Project baseline has been established by the accumulation of the subproject CD-2/3 baselines, as permitted by DOE O 413.3B, *Program and Project Management for the Acquisition of Capital Assets*

Upon approval and negotiation of the final CD-2/3 package in 2018, the cost and schedule baseline for the overall Project will be established by the collective total of the subproject baselines.

To protect the approved baseline, the Project will use a disciplined change control process to make adjustments. The objective of this approach is to initiate the baseline review as soon as practicable, while continuing to update the baseline as the Project evolves.

### 3.4 Management Reserve and Contingency

Contractor management reserve (MR) for the UPF Project is comprised of three categories: cost estimate uncertainty, schedule uncertainty, and contractor-owned technical and programmatic (T&P) risk, while federal contingency consists of government-owned T&P risks. Care is taken during MR and contingency development to avoid any overlap of T&P risk impacts with cost estimate uncertainty and schedule uncertainty.

Cost estimate uncertainty reflects the degree of confidence in the scope definition and design components upon which the cost estimate is based, and is intended to account for uncertainties in quantities, installation rates, job performance factors, labor rates, or overheads associated with the estimate. The scope within each WBS element is analyzed to determine the most appropriate best case, most likely, and worst case values for the WBS element. These values are used in a Monte Carlo simulation using Crystal Ball™ software. The cost estimate uncertainty included in the cost estimate is based on an 85% confidence level in accordance with *NNSA Cost Estimating Guide* (50.005).

Schedule uncertainty is the confidence that the Project schedule can meet the completion objectives; it is intended to account for potential schedule impacts, such as issues of resource availability. The SOW associated with each deliverable is analyzed by members of the Project team to determine the most appropriate best case, most likely, and worst case values for the related schedule activities. These values are used in a Monte Carlo simulation using Primavera™ risk analysis software to determine the schedule reserve duration needed for the Project at an 85% confidence level. The resulting duration is then multiplied by the estimated “hotel load” to determine the additional cost impact of the corresponding schedule reserve. The resulting schedule reserve duration is included in the Project schedule in accordance with the scheduling procedure and best practices, while the cost impact is also included in the cost estimate.

The T&P risk analysis accounts for additional MR and federal contingency attributed to discrete risks outside the confidence levels established for the cost estimate and schedule. The T&P risk cost and schedule mitigations, as defined by each risk owner, are extracted directly from the

UPF Risk Register. Schedule mitigations are indicated as a number of weeks; that number is applied to the forecasted hotel load to determine the cost impact.

Management reserve held by CNS is comprised of the following three elements: cost estimate uncertainty, schedule uncertainty, and T&P risk. Federal cost contingency and Federal schedule contingency are not included in the CD-2/3, but will be included later in accordance with DOE Guide 413.3-7A, *Risk Management Guide*, when directed by NNSA.

Total Project Contingency is the sum of the contractor's MR and NNSA's contingency.

### 3.5 Baseline Change Control

No change shall be made to the Performance Baseline elements without review and approval of the appropriate-level Baseline Change Control Board (BCCB). Change thresholds for scope, schedule, and cost are formally established in PL-PJ-801768-A006, *Project Execution Plan Project Number 06-D-141*, at the four DOE/NNSA approval levels. Change thresholds for subprojects are established in each subproject's execution plan. The Contractor BCCB is chaired by the UPF Project Director. The UPO BCCB is chaired by the FPD. All baseline changes beyond the UPF Project Director's approval thresholds must be submitted to and approved by the FPD and the UPO BCCB. If a change is beyond UPO's approval thresholds, UPO may endorse and forward the proposed change to the next higher level board.

At the Project level, a request for a baseline change is initiated by preparing a formal BCP. BCPs are processed in accordance with the Project Execution Plan (PEP). The BCP form, along with back-up documentation that provides the rationale and justification for a change to an approved baseline, is reviewed by the Contractor BCCB.

The Contractor BCCB meets, as needed, to consider and deliberate each request, which will then be (1) approved or disapproved if within the Board's approval authority, (2) endorsed and forwarded to the FPD/UPO Board if approval authority is exceeded, or (3) deferred if additional study and/or information is needed. Authorization for work to proceed is defined in the EVMS system description and in accordance with processes and procedures.

### 3.6 Earned Value Management System – System Description (EVMS-SD)

The process for preparing standardized, consistent, and traceable Project cost and schedule baselines is defined in E-SD-2013, *Earned Value Management (EVM) – System Description (SD)*. The processes for planning and developing schedules and maintaining them under configuration control are prescribed in E-SD-2013. Project performance is updated monthly and transmitted to UPO through the monthly progress report. Cost control and variance reporting is at designated levels of the WBS.

The WBS is used to establish and track budgets and schedule performance for each control account. High priority is placed on early warning of potential baseline impacts and the estimate at completion (EAC). This is accomplished through a Project trend program as outlined in E-SD-2013. The trend program is designed to provide the Project team with early identification and warning of potential changes in baselines with the philosophy that the effect of any change can be mitigated if identified as early as possible.

DOE O 413.3B requires that the industry standards for project control systems, described in SAE – EIA-748-C, *Earned Value Management Systems*, are implemented on all projects with TPC greater than $20 million.

As required by DOE O 413.3B, annual surveillances of the UPF EVMS will be conducted by the CNS Project Controls compliance group to ensure the UPF Project remains in compliance with the certified Y-12 EVMS.

The UPF Project Director is responsible for establishing the reporting and control mechanisms to monitor Project activities against the approved baseline. Monthly progress reports are prepared by the Project team under the direction of the UPF Project Director. Project performance is updated monthly and transmitted from the M&O to UPO as part of the monthly progress report including PARS II.

When all costs are incurred against a subproject scope, a final closeout report will be prepared outlining Lessons Learned, best practices, and customer feedback. In addition, final cost reports and Project completion forms will be prepared and forwarded to NNSA by the Project Director upon closeout of the cost accounts.

# 4.0 PROJECT EXECUTION PLAN

## 4.1 Organization

While the UPF Project is under the prime contract between CNS and NNSA, CNS/BNI will assemble a fully integrated Project team segregated from the M&O to execute the Project. The structure of the UPF Project team, as described in **Section 1.2**, includes functional managers from CNS and BNI. These managers are responsible for the management and integration of the UPF team members assigned to the Project in their area of responsibility, as well as the contractors and subcontractors selected to perform specific Project functions.

## 4.2 Project Interface

### 4.2.1 General

The primary point-of-contact with the NPO/UPO is the Project Director. While formal correspondence and agreements will be at this level of the organization, there will and must be dialog throughout the organization. Formal lines of communication will be established between the UPF team and the subcontractor and supplier organizations.

### 4.2.2 Zippering Plan

PL-PM-801768-A037, *UPF-UPO Zippering Plan*, was developed and issued to involved members of the Project team. This plan identified the appropriate points-of-contact in the CNS, UPF, NPO, and UPO organizations. This plan identifies the primary interfaces, and it should not hinder communication between other members of the respective organizations. Alignment meetings with those identified on the Zippering Plan will be conducted periodically to allow the sharing of ideas and resolution of any interface issues that may arise. These alignment meetings provide an opportunity to establish stronger relationships between all members of the team.

### 4.2.3 Reviews

Project reviews are integral to tracking performance. Reviews communicate ongoing progress, identify issues and concerns, and actively involve appropriate management levels in oversight of the Project. Reviews will help ensure readiness to proceed to a subsequent Project phase,

ensure progress of Project efforts, confirm functional integration, identify and resolve issues at the earliest time, support event-based decisions, and control risk.

The UPF Project conducts and undergoes a wide range of reviews to ensure performance and to promote confidence that the Project is progressing as anticipated. Periodic reviews examine Project status, trends, design, and construction progress for systems and interfaces. Included are monthly reviews, quarterly reviews, NNSA-required reviews, peer reviews, and team reviews. BNI's home office Functional Management will be involved in these reviews when required.

Special reviews are conducted, as needed and requested, to address areas of concern, respond to specific events, or to status the Project at a given point in time.

- Technical and design reviews are conducted in accordance with engineering and design procedures and as identified on the Project schedule. Specific reviews that should be included are being evaluated and added to the Project schedule. To support the submittal of the CD-2/3 baselines, reviews were performed at conceptual design, preliminary design, and final design.
- A Technical Independent Project Review was held to verify technology decisions and address design uncertainties related to such areas as alternative systems, constructability, requirements, design, technology, system verification, physical configuration, and operability and reliability.
- External Independent Reviews will be conducted at each CD request to validate the performance baseline and confirm that the Project is ready to proceed into the next phase.
- Defense Nuclear Facilities Safety Board (DNFSB) reviews are conducted as needed to help ensure safety is integrated into the Project.
- Office of Enterprise Assessment reviews are conducted periodically to evaluate whether national security material and information assets are appropriately protected and whether Departmental operations provide for the safety of its employees and the public.

Near the end of the Project, an ORR will be conducted to evaluate the readiness of completed facilities, systems, equipment, procedures, personnel, and supporting and interfacing systems and organizations for commencing facility operation.

### 4.3 Nuclear Safety Culture

The Project developed a Nuclear Safety Culture Policy Statement and a Program Plan. The policy establishes the expectations and commitment by the NNSA and CNS to foster and maintain a positive nuclear safety culture during all work performed on the UPF Project. The plan outlines steps the Project would take to implement health, safety, and security recommendations in a unified approach among government and contractor staff to reinforce the core values of Safety, Security, and Quality.

The Program Plan, PL-SH-801768-A006, *Nuclear Safety Culture Program Plan for the Uranium Processing Facility Project,* served as the foundation document in establishing and maintaining a positive nuclear safety culture. The program blends the theories and concepts of two prominent safety management programs, organizational culture change and behavior-based safety. Organizational culture change focuses on establishing and reinforcing desired management behaviors starting with the most senior managers, while behavior-based safety

focuses on reinforcing or correcting worker behaviors that are observed on the front line. Over the life of the Project, the two programs will enable the UPF to create a single, unified Nuclear Safety Culture Program.

An additional concept incorporated into the UPF Nuclear Safety Culture Program is a safety-conscious work environment (SCWE). SCWE is an environment in which employees feel free to raise safety concerns, both to their management and to a regulatory agency, without fear of retaliation.

Implementation of the UPF Nuclear Safety Culture Program, including SCWE, is founded on several robust institutional programs listed below. The program will build on this foundation to establish a better understanding by workers and management of the connection between Project and institutional safety activities:

- Integrated Safety Management Program
- Voluntary Protection Program
- Environment, Safety and Health Program
- Construction Safety and Health Program
- Human Performance Improvement Program
- People-Based Safety Program
- People-Based Quality (PBQ) Program
- Safety Design Strategy
- Nuclear Criticality Safety.

Activities to implement the program include:

- Establishing enabling policies and procedures
- Providing relevant and timely training
- Communicating effectively
- Recognizing and reinforcing appropriate behaviors while correcting inappropriate behavior
- Evaluating the effectiveness of the program
- Adjusting methods based on the evidence complied during the evaluation.

Because safety culture is relatively resistant to change, a long-term approach to improving safety culture is appropriate. Activities will be planned and executed based on a long-term logic model that will target certain organizational traits:

- Environment for raising concerns
- Problem identification and resolution
- Questioning attitude
- Respectful work environment
- Personal accountability
- Work processes
- Continuous learning
- Effective safety communication
- Leadership safety values and actions

- Performance monitoring through multiple means.

### 4.4 Quality Assurance

Quality Assurance (QA) includes all the processes and activities required to ensure that product and performance quality meet Project objectives as well as customer requirements and expectations. The UPF Project QA Program is detailed in the Y60-95-102PD, *UPF Quality Assurance Program Description*. The UPF QAPD meets the requirements specified in 10 CFR Part 830, *Nuclear Safety Management*, Subpart A, *Quality Assurance Requirements,* and DOE Order 414.1D, *Quality Assurance*. Also included are the application of the national consensus standard ASME NQA 1 2008, *Quality Assurance Requirements for Nuclear Facility Applications*, Parts I and II; and NQA 1a 2009, Addenda to ASME NQA 1 2008, *Quality Assurance Requirements for Nuclear Facility Applications*. The QAPD is approved by UPO, and it defines the Project-specific approach to meeting the quality requirements. The Project's quality requirements and processes ensure that design development, procurement, construction, startup, and turnover to operations satisfy the objectives of the UPF Project and comply with applicable DOE/NNSA quality requirements. Implementation of quality program requirements and administrative management requirements from PL-RM-801768-A002, *Other Basis Records for the Uranium Processing Facility Project*, are tracked through the UPF Programmatic Requirements Management System (PRMS) database.

The UPF Quality personnel consist of CNS and BNI quality staff separated functionally by company and by roles. The separation provides sufficient independence for CNS to evaluate BNI performance through independent assessments and oversight activities. The separation and activities performed by the CNS UPF QA personnel and the BNI Quality personnel are also defined in the QAPD.

The CNS UPF QA organization under the direction of the UPF Quality Assurance Manager (QAM), CNS, is responsible for performing CNS independent oversight of the BNI scope.

The UPF BNI Quality personnel, under the direction of the Project Quality Manager (PQM), BNI, are responsible for implementation and oversight of the quality requirements flowed down for the BNI subcontract through PL-QA-801768-A001, *Bechtel National Incorporated (BNI) Uranium Processing Facility (UPF) Project Quality Assurance Plan (QAP)*, which is approved by CNS.

The UPF BNI Quality organization interfaces with UPF Project Management, Engineering (including work performed in other Bechtel office locations), Procurement, and Construction organizations and provides subject matter expert advice in Project administration, design, procurement, construction, and startup of the Project. The UPF BNI Quality organization also maintains the Project suspect/counterfeit item programs that implement specific attachments to DOE O 414.1D. The UPF Project is utilizing a Project-specific software quality assurance (SQA) procedure for implementing the safety software requirements specified by the CNS Enterprise QA program. To help ensure quality at all work levels, the Project has implemented a PBQ program and the Quality Absolutes of following procedures, conducting job briefs, adhering to verification/hold points, owning your signature, and stopping when unsure.

The UPF Project employs a graded approach to quality so that resources applied correspond with the importance of achieving Project, site, and customer goals. The graded approach to quality is described in Y60-95-102PD and is implemented through the graded approach in Y15-95-200, *UPF Graded Approach to Quality*.

This graded approach to quality shall not compromise public, employee, or facility safety, or adversely affect the environment, and will comply with applicable requirements, rules, and regulations. The graded application of facility and activity requirements will be dependent on the hazards and/or level of risk associated with the activity or SSCs under consideration. The scope, depth, and rigor of the quality management system's application of requirements will be determined by the use of a grading process before performing the activity. The purpose of grading will be to select the controls and verifications to be applied to various items and activities consistent with their importance to safety and other high-level Project criteria. The graded approach to quality will not be used to "grade quality assurance criterion to zero," which has the effect of eliminating all controls or verifications over the activity.

### 4.5 Environment, Safety, and Health

The interface to the Y-12 ES&H organization is through the CNS UPF ES&H Manager. To define this relationship with a focus on specific needs and level of involvement between the CNS ES&H organization and the UPF ES&H organization, an ICD has been developed and approved.

Integrated Safety Management System (ISMS) requirements from ES-SD-2009, *Integrated Safety Management,* and CNS-MNL-352254, *Integrated Safety Management (ISM) Program,* and associated implementing procedures will be incorporated throughout the design, construction, and startup phases of the UPF Project. BNI has issued PL-SH-801768-A007, *Bechtel National Inc. (BNI) Uranium Processing Facility (UPF) Environment, Safety, and Health (ES&H) Plan*, to describe the safety management system that BNI will use to achieve safety performance excellence and comply with the provisions of Department of Energy Acquisition Regulation (DEAR) Clause 970.5223-1, *Integration of Environment, Safety, and Health into Work Planning and Execution*. The Integrated Safety Management approach is described within that document that mirrors the Y-12 approach. The Project team is committed to working safely and recognizes that line-management responsibility, accountability, good management systems, and worker involvement are key elements to an effective safety process. Implementing ISMS principles during design will ensure that the final design produces a safe workplace. Specifically, the design will ensure adequate protection from hazards for the public, the workers, and the environment through engineered controls supported by additional administrative controls. This approach will provide a process that will prevent accidents and provide containment, preventing or mitigating accidental release of hazardous materials into the environment. By protecting the workers to the highest degree possible and using a concept of maintenance with limited exposure, the co-located worker, the public, and the environment are protected.

The Y-12 ISMS is in compliance with DOE G 450.4-1C, *Integrated Safety Management System Guide*, and is also supported by Y15-636, *Integrated Safety Management Program*. Y-12 ISMS is also applicable to subcontractors; Integrated Safety Management requirements are incorporated into subcontract documents, as applicable.

As a major subcontractor, BNI has developed the CNS-approved ES&H plan, PL-SH-801768-A007, as well as PL-SH-801768-A002, *Construction Waste Management Plan for the Uranium Processing Facility*. These plans outline the programs and procedures that the UPF Project will use to control environmental, safety, and health hazards associated with activities during design and construction of the facility. The BNI ES&H Plan defines requirements and related roles, responsibilities, and interfaces in accordance with applicable federal, state, and local laws, regulations, and DOE Orders. Hazard controls will be incorporated as part of design and during field installation. Design outputs and requirements will include

finalized drawings, specifications, and test requirements that will incorporate any hazard controls identified. CNS has developed PL-SH-801768-A008, *Uranium Processing Facility Project CNS ES&H Oversight Plan*, which ensures that elements of subcontractors' approved ES&H and Waste Management Plans are being effectively implemented as approved.

The UPF Project shall comply with all applicable environmental laws and regulations, including the Clean Air Act, the Clean Water Act, National Emission Standards for Hazardous Air Pollutants, and associated Tennessee regulations. Permits for construction are now in-hand and will be extended and modified as necessary. The National Environmental Policy Act (NEPA) requires an evaluation of all federal actions with the potential to affect the environment. NEPA evaluation of the UPF Project includes the development of the DOE/EIS-0387, *Final Site-Wide Environmental Impact Statement for the Y-12 National Security Complex,* and subsequent Record of Decision (ROD). The process has included NEPA scoping with public comment, DOE Headquarters review, issuance of the ROD, and the development of a Supplement Analysis (DOE/EIS-0387-SA-01) and amended ROD based on the results of Project studies and evolving Project design.

PL-PJ-801768-A010, *Uranium Processing Facility Operational Waste Management Plan,* identifies the waste streams that will be generated by UPF when in operation and defines the treatment, storage, and disposal path for each stream in accordance with regulatory requirements, with an emphasis on minimizing the generation rates and maximizing the diversion rates for all categories of waste. This plan will be updated prior to final design.

The UPF Project has integrated 10 CFR 830, *Nuclear Safety Management*, and 10 CFR 851, *Worker Safety and Health Program*, into Project execution through implementation of CNS MNL-352254, *Integrated Safety Management (ISM) Program*; the UPF ES&H Oversight Plan; and the BNI ES&H Plan. The following essential elements are emphasized to ensure industrial safety and occupational health:

- Management responsibilities and worker rights
- Hazard identification and assessment
- Hazard prevention and abatement
- Safety and health standards
- Functional area responsibilities
- Training and information
- Recordkeeping and reporting.

The UPF Project maintains an effective safety program to achieve the program's target of Zero Accidents; work will not be conducted until adequate safety controls are in place. The UPF Safety Program is consistent with the requirements of federally mandated regulations, Y-12 policies, and applicable DOE orders, and Y73-001, *Y-12 Safety Program*. All UPF activities are expected to adhere to Y72-001, *Environment, Safety, and Health Policy,* which is implemented through the application of the guiding principles of the Y-12 ISMS. In addition, because BNI has been chosen as the subcontractor to execute the UPF Project, Bechtel procedures have been adopted for the Project; see the UPF-CP ES&H procedures on the UPF website.

The UPF Project also maintains an Industrial Hygiene Program to provide a work environment conducive to the health and wellbeing of employees and subcontractor personnel through the anticipation, recognition, evaluation, and implementation of recommended controls for chemical, physical, biological, and ergonomic stresses associated with the design and construction phases of the UPF Project. In providing this support, the Project will solicit expertise from the

Y-12 Industrial Hygiene organization, which provides subject matter experts and technical support in the areas of industrial hygiene, demolition, construction, and maintenance support.

### 4.6 Safeguards and Security

As an integral part of Project planning and execution, Safeguards and Security (S&S) has been considered and will be incorporated into all Project phases. Safeguards and Security establishes the parameters of physical security concerning access control, intrusion alarms, construction of vaults, property protection features, Operational Security, Nuclear Materials Control and Accountability, cyber security controls, and architectural surety built into the facility. An ICD has been developed to document the relationship between the UPF S&S organization and the Y-12 S&S organization.

Safeguards and security requirements for UPF have been addressed and, along with safety, quality, and environmental protection, will be integrated throughout all Project phases. The S&S requirements and costs have been incorporated into the Project baseline. As part of that process, S&S standards and requirements are incorporated into the design. Construction and testing addresses and confirms S&S design requirements, which also affect other components of the execution plan, such as emergency preparedness planning, communications, and procurement planning.

The UPF Project is committed to implementing Integrated Safeguards and Security Management (ISSM) methodology across all Project functions that affect safeguards and security. This methodology ensures that the SOW is well defined, security risks are analyzed, and measures are developed and implemented to ensure that security risks are mitigated. This methodology also includes feedback and a continuous improvement process.

The Project's security objectives include engineered controls, designed-in active and passive delays, and protected engagement capabilities to produce a robust and cost-efficient protection posture separated from routine operations. A vulnerability assessment (Y/JA-525, *(U) Uranium Processing Facility CD 2/3 Vulnerability Assessment Report*) identifies and evaluates the security vulnerabilities of the current design.

### 4.7 Contractor Assurance

DOE O 226.1B*, Implementation of Department of Energy Oversight Policy,* requires contractors to develop and implement comprehensive assurance programs. CNS has issued E-SD-2006, *CNS Contractor Assurance System Program Description,* which is applicable to both Y-12 and Pantex. The UPF Project uses the CNS Enterprise Contractor Assurance System (CAS), augmented as needed for Project-specific application through a UPF supplemental program description, Y15-95-0030PD, *UPF Supplemental Program Description to the CNS Contractor Assurance System*, which delineates the implementation of the CNS CAS as applicable to engineering, procurement, construction, startup, and turnover to operations of the UPF facilities and processes. Y15-95-0030PD is implemented through procedures identified in the UPF PRMS.

To ensure contractor performance, the UPF Project applies formalized processes for identifying and managing the flowdown of requirements, oversight and assessment of performance, and for identifying, correcting, tracking, and trending of program and performance deficiencies through the development of corrective action plans. The UPF CAS includes management assessments and surveillances, incident/event reporting, worker feedback, issues management, and Lessons Learned. Additionally, the UPF CAS contains performance indicators to identify, resolve, track,

trend, and disseminate information regarding problems and conditions adverse to quality within functional and programmatic areas.

### 4.7.1 Assessments

The UPF Project implements various types of assessments to provide rigorous, risk-based, credible self-assessment resulting in feedback used for continuous improvement. Assessments performed include:

- internal independent oversight assessments conducted by CNS QA, BNI QA, BNI Supplier Quality, and CNS Mission Engineering
- internal organizational management assessments/surveillances conducted by UPF managers
- external independent oversight assessments conducted by entities such as DOE, CNS Enterprise, UPO, and Bechtel Corporate.

### 4.7.2 Event Reporting

The CAS includes incident/event reporting processes for identified issues and reporting, analyzing, and addressing operational events, accidents, and injuries. These issues and events will be reported and investigated promptly and thoroughly. The processes include Cause Identification, Cause Resolution, and Management and Programmatic Weaknesses. Investigation results will be distributed as Lessons Learned when appropriate. In addition to applicable UPF procedures, the UPF Project follows applicable CNS procedures Y14-192, *Occurrence Notification and Reporting*, Y76-001, *Enforcement Coordination Program*, and Y19-115, *Reporting and Handling Security Concerns and Events*.

### 4.7.3 Worker Feedback

The UPF Project solicits worker feedback and suggestions on all aspects of work execution, including work definition effectiveness, hazard analysis and controls, and implementation for all work activity types. Some of the established site-wide programs and processes available to workers are the Employee Concerns Program, telephone or intranet for reporting concerns or questions, pre-job briefs, worker job hazard walk downs prior to work, post-job reviews, employee suggestion forms, safety meetings, critiques and related investigations, employee participation in teams, committees and working groups, and labor organization input.

### 4.7.4 Issues Management

The UPF Project manages issues in accordance with Y15-95-816, *UPF Issues Management Process*. The Issues Management Process documents, tracks, and resolves issues identified during management assessments, UPO reviews, independent assessments, reportable or non-reportable events, external assessments, and other reviews, including lower-level assessments, and safeguards and security assessments, as well as issues otherwise self-identified. The responsible UPF managers ensure that corrective actions address each problem’s causes and extent of condition, and are planned, implemented, and verified as effective. Issues are tracked using an issues management database. Closures of issues are communicated to the organizations affected. The UPF Project manages UPF issues through the UPF Management Review Board.

### 4.7.5 Lessons Learned

The UPF Project develops, implements, and participates in a Lessons Learned program, as described by Y15-95-331, *UPF Lessons Learned Program*. The Project identifies applicable

Lessons Learned from external and internal sources, taking necessary corrective and preventive actions, disseminating Lessons Learned to targeted audiences, and ensuring that Lessons Learned are understood and applied. A database is used to capture potential Lessons Learned; record the results of the screening, assign responsibility for resolution, identify closure actions, and track progress until closure. Periodic reports are issued and metrics published as directed by Project Management.

At the completion of a phase of the Project, a UPF Lessons Learned report will be prepared, distributed, and placed in the Project records. Following the CD-2/3 approvals, the CNS Lessons Learned on up-front planning and design were documented and issued as required by DOE O 413.3B. A final report will be a compilation of the Lessons Learned during the course of the Project, in addition to any Lesson identified in a Project Critique at the Project's conclusion.

### 4.7.6 Performance Metrics/Indicators

Performance metrics provide continuous feedback on the Project's and processes' health and/or effectiveness. Performance indicators and measures are used to help management identify adverse trends, monitor performance, and promote improvements. Performance metrics are reported in the Quality Dashboard on the UPF website under the Quality function. These metrics are reviewed by the functions or organizations responsible for the data, and are periodically reviewed by Senior Management to determine the quality of product deliverables to the customer. Performance metrics are maintained during the lifecycle of the Project and will be adjusted based on the need for information to be measured.

### 4.7.7 Performance Trending Analysis

The UPF Project's processes produce many sources of data to be examined for performance indicators (e.g., safety incidents, issues management, PBQ interactions, and management assessments). Trending analysis of this data gives insight into the cultural and performance health of the UPF Project. Where trends are identified, they are treated as appropriate to their significance and potential impact. Trending analysis reports are issued on a periodic basis to the Project's senior management.

## 4.8 Productivity Improvement

The goal of the UPF Productivity Improvement program is to support Project objectives by identifying performance improvement efforts and associated cost savings, providing training and guidance to all Project Six Sigma practitioners, tracking engagement metrics to ensure that all Six Sigma resources are used in the most effective and efficient way possible, and delivering increased value for NNSA. These benefits are realized through the execution of Process Improvement Projects, and through the application of Six Sigma statistical and Lean tools and techniques to identify and implement work process improvements and optimize work execution approaches. In all instances, savings related to sustainability (e.g., reduced paper waste or eliminating travel) are to be evaluated when documenting the savings.

The UPF Project establishes goals for the identification and execution of savings opportunities. Realistic improvement opportunities resulting from the Six Sigma program are incorporated into the existing UPF processes and procedures to allow for improvements throughout the Project.

# 5.0 RISK MANAGEMENT

## 5.1 Risk

The UPF Project uses a disciplined approach to risk identification and management of T&P risks, as well as Project schedule and cost risks. Achieving risk reduction is an integral part of setting priorities, sequencing Project work, and responding to the most serious risks first.

UPF Project T&P risks are managed in accordance with RA-PJ-801768-A001, *Uranium Processing Facility Risk Management Plan*. The Risk Management Plan (RMP) establishes the process for identifying and assessing probabilities and consequences, as well as handling and managing risks that could potentially jeopardize successful completion of UPF. Implementation of the RMP ensures that the UPF Project identifies and incorporates appropriate, efficient, and cost-effective measures to handle Project risks, including both threats and opportunities.

As directed in the RMP, the Project team has instituted an ongoing process for identification and assessment of potential T&P risks. A risk-screening questionnaire has been developed to aid in the identification of risks (RMP, **Appendix A**). Identified risks are maintained in a UPF-developed Risk Register, an automated database for tracking and reporting risks and their handling strategies and action items. The register is a menu-driven tool for managing threats and opportunities, and has the capability for multiple users to access information simultaneously.

In the Risk Register, the evaluator/owner determines an overall risk score by pairing probability with consequence, using the matrix shown in **Figure 1**. One of four handling strategies is then identified for each risk—Accept, Transfer, Mitigate, or Avoid. Mitigate or Avoid require actions to implement handling strategies; each action is assigned to an individual and is tracked to closure. Residual risk is then determined, with the potential schedule and cost impacts estimated to remain after the handling strategies are fully implemented by the actions.

Risks, both threats and opportunities, are formally documented in Risk Analysis Reports (RARs), which provide detailed discussion on how the risk assessments were conducted and the results, including T&P risk that is input to cost and schedule estimates. While the Risk Register is constantly maintained, an RAR is issued as needed, at a minimum at each CD request.

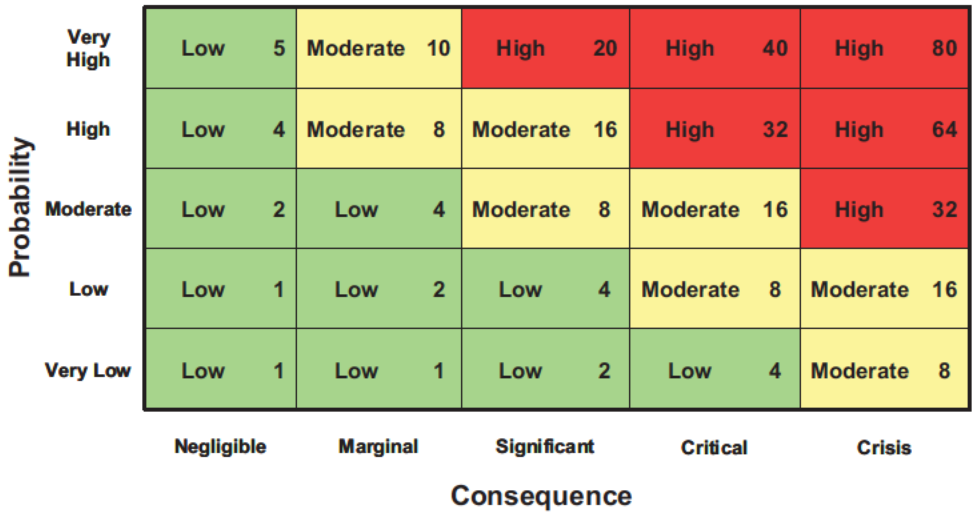


**Figure 1. Threat Grading Matrix**

### 5.2 Assumptions

Associated with risk management are documented assumptions. *Assumptions*, as defined by DOE G 413.3-7A, *Risk Management Guide*, are "Factors used for planning purposes that are considered true, real or certain. … Generally, the assumptions will contain an element of risk. … assumptions have a basis in fact, but are not facts themselves …"

At each CD, assumptions are captured that emerge from the UPF Project's strategies and plans for management and execution of the CD scope, as well as programmatic assumptions upon which the Project cost and schedule are based.

## 6.0 REFERENCES

10 CFR 830, *Nuclear Safety Management*

10 CFR 851, *Worker Safety and Health Program*

ASME NQA-1-2008, *Quality Assurance Requirements for Nuclear Facility Applications* (NQA-1), Parts I and II, including NQA-1a-2009, Addenda to ASME NQA-1–2008, *Quality Assurance Requirements for Nuclear Facility Applications*

CNS-MNL-352254, *Integrated Safety Management (ISM) Program*

COL-NNSA-UPO-PM-801768-A063, *Uranium Processing Facility Subproject Definitions and Critical Decision Strategy*, September 23, 2015

COL-NNSA-UPO-PM-801768-A166, *Uranium Processing Facility Project Leadership in Energy and Environmental Design Gold Waiver Approvals*, July 20, 2016

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DEAR 970.5223-1, *Integration of Environment, Safety, and Health into Work Planning and Execution*

DE-PE-801768-A001 through A053, *Uranium Processing Facility Design Criteria (U)*

DOE G 413.3-7A, Chg. 1, *Risk Management Guide*

DOE G 450.4-1C, *Integrated Safety Management System Guide*

DOE O 226.1B, *Implementation of Department of Energy Oversight Policy*

DOE O 243.1B, Chg. 1, *Records Management Program*

DOE O 413.3B, Chg. 5, *Program and Project Management for the Acquisition of Capital Assets*

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DOE/EIS-0387, *Final Site-Wide Environmental Impact Statement for the Y-12 National Security Complex*

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DOE-STD-1189-2008, *Integration of Safety into the Design Process*

E-PROC-3011, *Test Program Manual*

E-PROC-3123, *Identification and Protection of Unclassified Controlled Nuclear Information and Official Use Only Information*

E-SD-2006, *CNS Contractor Assurance System Program Description*

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# APPENDIX A
# UPF Project Team Key Member Responsibilities



Responsibilities of key members of the CNS/BNI UPF Project team are outlined in this appendix. Team membership changes to address Project needs during different phases; refer to the organization charts on the UPF Project website for the current management structure and key membership (https://upf.y12.doe.gov/sites/upFWEB/SitePages/OrgCharts.aspx).

## CNS Project Director/Deputy Project Director

The UPF Project Director has overall responsibility for all aspects of the UPF Project. He/she integrates execution of the support functions of the Prime Contracts, ES&H, Quality, and Security with the execution of the production functions of the Project. The Deputy Project Director is the primary point-of-contact to the CNS IPT in the areas of Operator's Representative, Design Authority, and Production and Maintenance.

The Project Director's responsibilities include:

- Undertaking overall responsibility for the UPF Project to meet all requirements
- Ensuring that the Project meets DOE, NNSA, corporate, and Project requirements and objectives
- Guiding the Quality Assurance Program's direction and implementation through assigned organizational responsibilities, accountabilities, programs, and procedures as established in the UPF Quality Assurance Program Description
- Integrating roles and responsibilities of the overall Project organization
- Ensuring effective communication of programmatic needs, and ensuring that those needs are successfully integrated into the planning, development, and execution of the UPF Project
- Acting as a primary interface with NNSA and Y-12 peer organizations
- Acting as the point-of-contact for the DNFSB and other external stakeholders for UPF
- Approving UPF budget changes and concurring with BCPs
- Overseeing the Level 3 BCCB
- Approving Performance-Based Incentive and Performance-Based Objective proposals
- Serving as the primary Project interface with Y-12 Senior Management and Corporate Management.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**CNS Prime Contract Manager**

The Prime Contract Manager for UPF is responsible for the interface of Project contracting actions between the Project and the customer contracts officer, procurement and sub-contract department, and the CNS prime contracts organization. Primary responsibilities include:

- Interfacing with the CNS prime contract organization in the identification of the UPF contract baseline, terms and conditions, specifications, estimates, and schedule
- Identifying areas of risk and opportunities and assisting in the development of the risk mitigation plans
- Developing and implementing the contract management program for the Project consistent with the prime contract requirements
- Establishing a contract change control process and procedure
- Coordinating with the other Project team members to identify customer-related actions
- Preparing negotiation positions and strategies for management approval
- Leading negotiation teams and managing negotiations
- Ensuring that subcontracts and other procurement actions contain appropriate flow down of prime contract terms; facilitating organizational interfaces between those performing subcontract formation and administration
- Participating in related meetings with BNI Engineering, Construction, Procurement, and Project Controls to ensure awareness of all Project activities; identifying opportunities for cost/schedule enhancements; taking appropriate actions to improve performance and ensure compliance with prime contract terms and conditions
- Conducting regularly scheduled meetings with the customer contracting officer to ensure a full understanding by all parties of the contracting actions in development; coordinating any actions requested
- Managing the handling of the prime contract closeout activities and participating in the closeout of subcontracts and procurements
- Coordinating the development and delivery of Project training to address contract management principles, subcontract formation and administration, and identification and resolution of claims.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**CNS Quality Assurance Manager (QAM)**

The CNS QAM is responsible for establishing the programmatic quality requirements and measures that are used to ensure that UPF Project requirements are met as defined in Y60-95-102PD, *Quality Assurance Program Description.*

**CNS Environment, Safety, and Health (ES&H) Manager**

The CNS UPF ES&H Manager ensures that environment, health, and safety issues are addressed throughout the Project, as well as operations, and has the following responsibilities:

- Establishing ES&H requirements that are consistent with the scope of the Project and method of accomplishment in the areas of environmental compliance, industrial safety, industrial hygiene, radiological control, and waste management
- Implementing the Project safety program, including NEPA compliance, Integrated Safety Management, licensing and permitting activities, waste minimization and pollution prevention initiatives, construction and industrial safety oversight, hazard classification determination, safety assessment documentation and safety analysis reports, and integration of ES&H factors into preliminary and final design, installation, commissioning, and operations
- Coordinating participation for integrated hazard evaluation studies and developing non-nuclear lines of evaluation for studies
- Coordinating and interfacing with the any Site-Wide Environmental Impact Statement update for the Y-12 site
- Serving as the ES&H point-of-contact with the customer and Project Director
- Assisting in the implementation of planning and Project execution, including definition of program requirements
- Providing oversight to ascertain that program and Project requirements are being met
- Managing the environmental permitting process
- Establishing waste management requirements for the Project and ensuring waste management plans are prepared
- Providing integration and functional oversight of the Construction Safety Program.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**CNS Subcontract Administrator (SA)/Technical Representative (STR)**

The SA is responsible for overall subcontract administration. The SA assigns duties and responsibilities to the STR and supports the STR in the implementation of those duties as required. The STR is responsible for the day-to-day administration and technical completion of onsite subcontracts. The STR is responsible for managing, monitoring, and ensuring compliance with technical requirements of the subcontract, and will work with engineering, procurement, quality, safety, security, and other subject matter experts, as necessary, to ensure subcontract terms and other requirements are met. The STR has the responsibility and authority to enforce all of the requirements of the subcontract.

The CNS SA/STR has the following specific responsibilities:

- (SA) Developing and implementing the BNI subcontract management program
- (SA) Analyzing the subcontract general terms and conditions to highlight areas of risk such as ambiguities, conflicts, or deviations
- (SA) Developing and managing appropriate mechanisms to monitor compliance with the subcontract terms and conditions
- (SA) Providing the Project Director with reviews and analysis of the subcontract financial data
- (STR) Interacting daily with the BNI subcontractor
- (STR) Establishing the reporting and communication protocols between the BNI Prime Contracts Manager and the STR.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**CNS Security Interface Manager**

**The Security Interface Manager** leads all efforts to integrate Safeguards and Security requirements, practices, and principles into the design, construction, and startup of the UPF Project. Security Support also provides integration of UPF Project activities with existing and/or planned security operations to ensure that the Y-12 security posture is not negatively impacted. Responsibilities include the following activities:

- Planning, implementing, managing, integrating, and overseeing all safeguards and security actions necessary to achieve Safeguards and Security goals and objectives within the UPF Project
- Coordinating UPF Project activities with Y-12 Safeguards and Security Operations to ensure that the Y-12 Security Posture is not negatively impacted by Project activities
- Developing and implementing Safeguards and Security Requirements for the UPF Project that will result in the Project's design being compliant with applicable DOE/NNSA Orders and Directives and will achieve acceptable risk levels as demonstrated by a vulnerability assessment
- Interfacing with NNSA, site contractors, and other stakeholders to ensure effectiveness of the UPF Security Program
- Approving plans and procedures related to UPF safeguards and security responsibilities
- Providing design input to the UPF Project related to safeguards and security responsibilities.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**Project Controls Manager**

The UPF Project Controls Manager has the following responsibilities:

- Implementing the tools and systems necessary to effectively and actively manage, control, and report on cost and schedule for concurrent Projects tasks
- Collecting performance data (installed quantities, expended labor hours, and other progress measurements for direct-hire and subcontract work)
- Interfacing with the Y-12 Chief Financial Officer to ensure reconciliation of Project costs with Y-12's financial systems and for the preparation and submittal of annual budget documents
- Directing integrated cost engineering, cost estimating, cost analysis/control, and planning/scheduling activities
- Ensuring all integrated Project controls tools and systems are compliant with American National Standards Institute (ANSI) Standard 748-C, *Standard for Earned Value Management Systems (EVMS)*, and DOE O 413.3B
- Providing functional direction including approval of the integrated Project controls tools being used
- Directing the preparation and presentation of Project estimates and cost forecasts
- Supporting Project organizational and administrative activities
- Reviewing contract drafts to ensure they include adequate cost and scope definition and meet Project controls requirements
- Developing BCPs, as needed
- Establishing useful forecasting and predictive tools, procedures, and processes
- Ensuring effective trend management
- Serving as a member of the Level 3 BCCB
- Developing and maintaining an integrated WBS and schedule that encompasses all Project participants
- Serving as the owner of the integrated project controls tools
- Preparing budget and funding documents
- Providing support to the Project Director and CAMs in managing the integrated project cost and schedule
- Preparing and maintaining the integrated project cost estimate and EAC, including coordinating with subcontractors in the generation of the Project integrated EAC
- Coordinating all Project cost and schedule day-to-day efforts supported by the other Project Controls leads
- Integrating trends and risk events into the Project cost and schedule
- Maintaining routine interface with UPO Project Controls personnel.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI Project Manager**

The BNI UPF Project Manager is responsible for managing the day-to-day EPC, Startup, BNI Quality Assurance, Safety, **Human Resources, Training, Information Services and Technology, Office Administration and Services, Communication, BNI Prime Contracts,** and **Special Projects**. The BNI Project Manager reports to the CNS Project Director. Primary responsibilities include:

- Defining Project execution team roles, responsibilities, and staffing assignments
- Maintaining and approving the Project execution organization chart
- Establishing, maintaining, controlling, and reporting scope, budgeted cost, and schedule performance baselines that are consistent with Project funding
- Establishing cost and schedule contingencies that are commensurate with the Project owner's acceptable risk level for the Project
- Ensuring the SOW meets DOE, NNSA, corporate, and Project requirements and objectives relative to quality
- Ensuring the successful implementation of the BNI Quality Assurance program.
- Implementing the quality roles and responsibilities identified in the UPF QAPD
- Establishing the safety and quality environment for the EPC SOW
- Reviewing and approving execution plans and procedures
- Interacting UPO and CNS management, including through the Change Control Board and the Integrated Project Team
- Meeting applicable federal and state laws and regulations and applicable CNS and UPO standards and requirements
- Implementing Configuration Management, Quality Assurance, Integrated Safeguards and Security Management, and Integrated Safety Management.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI Engineering Manager**

BNI Engineering for the UPF is executed by an Integrated Design Team made up of engineers and multiple subcontractors with physical and functional interfaces between assigned work scopes. The BNI Manager of Engineering has the following responsibilities:

- Managing the technical resources to control the technical adequacy of the engineering design process; ensuring integration and coordination of the technical basis development
- Ensuring that design processes are developed, implemented, and maintained to ensure that Project requirements and objectives relative to quality, safety, schedule, and budget are met
- Overseeing the integration and preparation of technical documents
- Managing the planned work in accordance with established budgets and schedules
- Developing the technical documents and specifications necessary to support the Project Acquisition Plans
- Ensuring that the appropriate administrative controls are in place to manage outsourced design interfaces
- Managing work performed for the Project in other locations
- Ensuring implementation of systems engineering functions
- Interfacing with Y-12 Mission Engineering for design authorization, safety engineering, and requirements and surveillance activities
- Supporting the Safety-in-Design Integration Team Project engineering in fostering safety-in-design collaboration and integration between the IDT and SDIT support functional organizations
- Maintaining a good working relationship with the DNFSB, in conjunction with NPO, and coordinating frequent technical reviews with the board to facilitate open communications
- Capturing and documenting quantities during the entire design effort and tracking quantity variance through design evolution
- Ensuring the development of resource-loaded schedules for engineering activities with support from Project Controls
- Managing technical change and risk, cost, and schedule assessments
- Managing technical issues to resolution in a timely manner, permitting the Project to advance with fewer open technical issues
- Ensuring that skilled engineering resources (internal or external) are provided to support the schedule
- Monitoring progress and controlling the engineering scope, cost, and schedule
- Ensuring that design reviews by BNI and CNS chief engineers are conducted at critical Project phases

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI Engineering Manager (cont.)**

- Managing the Project engineers and engineering system to ensure that the Design Control Checklists are completed, and that critical peer review of Design Control Checklist deliverables is taking place in a timely manner
- Developing alternate solutions and options to support Project needs
- Providing technical input for procurement of engineered equipment
- Coordinating constructability reviews
- Ensuring that design requirements and design output documents appropriately and accurately reflect the design basis
- Transitioning the technical baseline responsibility to Y-12 Production at the end of the Project
- Serving as the integrator for Facility Design, Facility Safety, Criticality Safety, and Fire Protection Engineering input and requirements
- Serving as the Engineering point-of-contact with the customer and the BNI Project Manager
- Supporting the DAR in the development of the technical baseline
- Serving as a WBS CAM as assigned by the BNI Project Manager
- Serving as a member of the Level 3 BCCB
- Ensuring that design documents identify critical attributes and inspection requirements to ensure design is captured in as-built facility and systems.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI Construction Manager**

The BNI UPF Manager of Construction is responsible for overseeing all activities at the construction site, facilitating the cooperation and coordination of all entities in the field, and ensuring the priority of safety throughout the construction phase. Responsibilities include:

- Ensuring that construction activities are conducted in a safe, disciplined manner
- Establishing and managing cost and schedule baselines for construction activities
- Coordinating constructability reviews using diverse construction subject matter experts, including field-engineering reviews during preliminary and final design. This will include participation in three-dimensional (3D) model reviews
- Coordinating with Engineering to establish the issuing sequence of construction packages
- Managing, directing, and accounting for construction forces, assigned subcontractors, and sub-tier subcontractors
- Obtaining a qualified construction work force
- Ensuring that field work and modifications meet design requirements
- Ensuring that construction meets Project quality requirements
- Executing construction activities within the cost, schedule, and scope parameters
- Participating in the resolution of issues relating to constructability reviews and estimates
- Ensuring that construction field testing and inspections are properly performed
- Ensuring that requirements for Project activities, including training, are clearly defined and met
- Using a family of curves depicting the design release, fabrication/delivery, and installation for each key bulk commodity (e.g., rebar, concrete, piping, conduit, and cable) to ensure meeting critical construction and pre-operational testing milestones. The relationship between engineering release, material delivery, and construction installation for each commodity curve is reviewed to ensure that enough time is available for detailing, fabrication, and delivery to the job site to provide sufficient backlog to support construction
- Monitoring productivity of subcontractors and direct-hire construction activities and initiating corrective actions, where necessary
- Providing maintainability input throughout Project modifications
- Implementing the Construction Automation Plan
- Serving as a WBS CAM as assigned by the Project Manager, BNI
- Serving as a member of the Level 3 BCCB
- Serving as a member of the Commissioning team.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI Construction Quality Control Manager (CQCM)**

The BNI CQCM's responsibilities include:

- Implementing the Project quality control (QC) requirements
- Providing construction quality support with qualified and certified inspectors
- Managing the implementation of the QC system at the jobsite
- Providing technical and administrative direction to QC engineers and administrative staff
- Providing oversight of subcontractors
- Verifying that subcontractors comply with their QA plans and QA/QC requirements, including flowing down applicable requirements to lower-tier subcontractors
- Ensuring review and approval of QC testing and inspection reports to assist readiness evidence formulation
- Performing material receipt inspections
- Participating in factor acceptance testing
- Validating nonconformance reports
- Providing oversight of vendor QA/QC program
- Controlling materials and testing equipment
- Performing field inspections of completed work as required
- Performing as the administrative Level III for the qualification certification of QC inspectors.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI UPF Startup Manager**

The BNI UPF Startup Manager directs and coordinates all startup activities during design, through construction, turnover, preoperational testing, and completion of cold operations and readiness activities. Responsibilities include the following:

- Assembling the startup team
- Ensuring that the requirements associated with the Y-12 operational readiness program, in accordance with DOE O 425.1 D, *Verification of Readiness to Start Up or Restart Nuclear Facilities*, are met for this Project
- Ensuring startup/commissioning elements of the Project schedule are developed and integrated properly
- Directing and overseeing startup planning and the work scope defined in the startup schedule associated with the Project
- Assisting in the development and execution of the UPF Project Commissioning Plan
- Providing for independent review of the readiness affirmations evidence to provide verification of status and administrative content
- Managing and coordinating the turnover process for UPF Structures, Systems, and Components
- Developing and executing the UPF Project Startup Plan for Preoperational Testing
- Providing coordination for cold operations activities
- Assisting in the development and review of the Facility Startup Plan
- Assisting in the development and review of facility staffing plans and providing feedback to the organizations relative to their abilities to provide the personnel necessary to operate the facility
- Planning remedial actions with Production for those activities and issues that do not support the startup/commissioning schedule
- Ensuring assignment of qualified test engineers for post-construction testing, supporting operator training and initial cold operations as required
- Ensuring that appropriate selection and training of operations personnel are completed before start of initial operations
- Ensuring that programs, plans, instructions, procedures, and criticality safety requirements are developed prior to the ORR, including the UPF Startup Plan(s)
- Serving as a member of the Level 3 BCCB
- Serving as the Commissioning Authority for the Project.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI ES&H Lead**

The BNI ES&H Lead's responsibilities include:

- Coordinating with line management for the effective implementation of the BNI UPF ES&H Plan
- Evaluating and authorizing any changes to the ES&H Plan in coordination with the Construction Manager
- Directing and/or participating in necessary ES&H monitoring as stipulated by task requirements for noise, confined space entry, and other identified ES&H hazards
- Ensuring that work is conducted safely and in accordance with the ES&H Plan
- Evaluating personal protective equipment (PPE) requirements and providing technical guidance on procurement of correct types of PPE
- Investigating illnesses, accidents, incidents, and near misses and ensuring case management is conducted
- Developing Project environmental waste management, safety, and health procedures
- Supporting Job Hazards Analysis (JHA) plans that are developed for jobs and tasks
- Monitoring compliance with environmental and safety procedures, plans, and JHAs
- Conducting daily safety and health inspections of the work places
- Exercising Suspension of Work/Stop Work Authority for safety deficiencies and imminent danger violations.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI Project Quality Manager (PQM)**

The BNI PQM's responsibilities include:

- Developing, communicating, maintaining, and managing the BNI Quality Assurance Plan which flows down and implements the requirements of the UPF QAPD
- Implementing the quality roles and responsibilities identified in the UPF QAPD
- Serving as the primary interface for implementation of the UPF BNI Quality organization scope
- Ensuring that the interfaces between the quality program and the engineering, procurement, and construction processes and procedures are consistent with the Project expectations and requirements
- Providing and facilitating the following UPF Project quality program:
  - Productivity and Six Sigma Improvement program
  - Suspect/Counterfeit Items Program
  - Audit and Assessment of BNI Work Scope
  - Integrated Quality Assurance Program.

# APPENDIX A
# UPF Project Team Key Member Responsibilities
(Page 15 of 16)

**BNI Acquisition Services Manager**

The BNI UPF Acquisition Services Manager has overall responsibility for UPF Project procurement operations, including the following responsibilities:

- Identifying staffing requirements
- Defining the procurement objectives in support of the Project's goals
- Providing Basic Ordering Agreement (BOA) oversight through closeout
- Managing the procurement SOW to meet the cost, schedule, and quality objectives of the UPF Project
- Overseeing purchasing and subcontracting day-to-day operations
- Performing evaluation and oversight of suppliers
- Managing the Project Supplier Quality Organization
- Coordinating with the Construction Manager for the receipt, handling, and storage of items with the required inspection and testing activities.

**BNI Area Managers – Buildings**

During the execution of UPF, some elements of scope such as the MEB, MPB, SAB, and PSF subprojects will be executed as subprojects. An Area Manager will be assigned under the direction of the Project Manager. The Area Managers are responsible for the following:

- Defining the SOW to be performed
- Defining Project team roles and responsibilities
- Coordinating with the functional managers to have team members assigned
- Executing and reporting to defined cost and schedule budgets
- Establishing safety and quality objectives
- Performing Control Account Manager functions for the subproject
- Managing the Project daily
- Preparing subproject closeout activities as required.

# APPENDIX A
# UPF Project Team Key Member Responsibilities



**BNI Prime Contract Manager**

The BNI Prime Contract Manager is responsible for the interface of contracting actions between the CNS UPF Project and the BNI subcontract. Primary responsibilities include:

- Interfacing with the CNS UPF SAs/STRs in the identification of the BNI subcontract baseline, terms and conditions, specifications, estimates, and schedule
- Identifying areas of risk and opportunities, and assisting in the development of the risk mitigation plans
- Developing and implementing the subcontract management program for the Project, consistent with the subcontract requirements
- Establishing a contract change control process and procedure
- Coordinating with the other Project team members to identify customer-related actions
- Preparing negotiation positions and strategies for management approval. Leading negotiation teams and managing negotiations
- Ensuring that subcontracts and other procurement actions contain appropriate flowdown of subcontract terms and facilitate organizational interfaces between those performing subcontract formation and administration
- Participating in related meetings with BNI Engineering, Construction, Procurement, and Project Controls to ensure awareness of all Project activities
- Identifying opportunities for cost/schedule enhancements; taking appropriate actions to improve performance and ensure compliance with prime contract terms and conditions
- Conducting regularly scheduled meetings with the CNS UPF contract representatives to ensure a full understanding by all parties of the subcontracting actions
- Managing the handling of the subcontract closeout activities and participate in the closeout of subcontracts and procurements
- Coordinating the development and delivery of Project training to address subcontract management principles, subcontract formation, and administration and identification and resolution of claims.

# SECTION J

# APPENDIX H

# INTERFACE MANAGEMENT PLAN (IMP)

[Note: To be inserted by the Contracting Officer after contract award.]

# SECTION J

# APPENDIX I

# PERSONNEL APPENDIX

**(0018, 0114, 0147, 0285, 300)**

# SECTION J APPENDIX I

# PERSONNEL APPENDIX

TABLE OF CONTENTS

**1.0 INTRODUCTION ..... 1**

**2.0 DEFINITIONS ..... 2**

**3.0 COMPENSATION ..... 3**

A. VARIABLE PAY ..... 3

B. OVERTIME PAY PROGRAM (EFFECTIVE JULY 1, 2018) ..... 3

*1. Nonexempt Non-Bargaining (NENB) ..... 4*

*2. Exempt ..... 5*

C. SHIFT DIFFERENTIAL (EFFECTIVE JANUARY 1, 2015) ..... 5

D. APPROVAL OF INDIVIDUAL COMPENSATION ACTIONS ..... 6

*1. Approval of Key Personnel Compensation Actions ..... 6*

*2. Approval of Individual Compensation Actions in Excess of Salary Range ..... 6*

E. SPECIAL ALLOWANCES ..... 6

F. PAY IN LIEU OF NOTICE ..... 6

G. PAY TO SURVIVING SPOUSE OR DEPENDENTS AFTER THE DEATH OF AN ACTIVE NON-BARGAINING EMPLOYEE ..... 6

H. PART TIME EMPLOYMENT ..... 6

I. AD HOC EMPLOYEES ..... 7

**4.0 LABOR RELATIONS – COLLECTIVE BARGAINING AGREEMENTS ..... 8**

**5.0 BENEFITS ..... 8**

A. GROUP INSURANCE AND LEGALLY REQUIRED PAYMENTS ..... 8

B. DISPLACED WORKERS MEDICAL BENEFITS PROGRAM (DWMBP) ..... 11

C. RETIREMENT PLANS ..... 12

*1. General Provisions ..... 12*

a. Qualified Defined Contribution Plan ..... 13

b. Nonqualified Plans ..... 13

D. SEVERANCE PAY ..... 13

*1. Pay Schedule ..... 13*

*2. Disqualification for Severance Benefits ..... 13*

*3. Voluntary Separation Plans ..... 15*

**6.0 PAID AND UNPAID TIME OFF ..... 15**

A. PAID TIME OFF (PTO) (EFFECTIVE JANUARY 1, 2015) ..... 15

B. PAID PERSONAL LEAVE (EFFECTIVE JANUARY 1, 2016) ..... 16

C. SICK LEAVE BANK (EFFECTIVE JANUARY 1, 2015) ..... 16

D. PARENT COMPANY TRANSFER OF SERVICE CREDIT (EFFECTIVE JULY, 1, 2014) ..... 16

E. HOLIDAYS (EFFECTIVE JANUARY 1, 2015) ..... 17

F. JURY AND WITNESS DUTY (EFFECTIVE JANUARY 1, 2015) ..... 18

G. BEREAVEMENT LEAVE (EFFECTIVE JANUARY 1, 2015) ..... 18

H. VOTING TIME (EFFECTIVE JANUARY 1, 2015) ..... 18

I. PLANT SHUT DOWN ..... 18

J. LEAVES OF ABSENCE ..... 18

K. MILITARY LEAVE OF ABSENCE ..... 19

L. DECISION MAKING LEAVE ..... 19

**7.0 TRAINING AND EDUCATION ..... 19**
A. GENERAL ..... 19
B. TRAINING ..... 19
*1. Internal Training Programs ..... 19*
*2. External Training ..... 20*
C. TUITION ASSISTANCE PROGRAM ..... 20
D. PAID EDUCATION LEAVE/SABBATICAL LEAVE ..... 22

**8.0 EMPLOYEE PROGRAMS ..... 22**
A. EMPLOYEE RECOGNITION AND MEMBERSHIPS ..... 22
B. WORK APPAREL ..... 23

**9.0 TRAVEL, RELOCATION, AND SUBSISTENCE (EFFECTIVE JULY 1, 2014) ..... 23**

**10.0 RECRUITING ..... 24**

**11.0 SPECIAL EMPLOYEE ACTIVITIES ..... 24**
A. EDUCATIONAL AND COMMUNITY OUTREACH ..... 24
B. PERSONNEL SUPPORT ACTIVITIES AND EMPLOYEE PUBLICATIONS ..... 25
C. PERSONNEL TEMPORARILY ASSIGNED TO CONTRACTOR WORK ..... 25

## 1.0 INTRODUCTION

The Contract DE-NA0001942, Federal Acquisition Regulation (FAR) Part 31, Department of Energy Acquisition Regulation (DEAR) Part 931 and DEAR 970.30 govern the allowability of personnel and other related costs incurred pursuant to the Contract. This Appendix sets forth personnel and other related policies that have cost implications under this Contract and are not covered explicitly in FAR or DEAR cost principles. This Appendix identifies those costs deemed reasonable and allowable for reimbursement when incurred in the performance of Contractor work. The Contractor shall seek Contracting Officer approval prior to incurring costs not specifically identified as allowable in this Contract. The Contractor shall identify and treat all unallowable costs and directly associated unallowable costs in accordance with the criteria set forth in FAR 52.230-2, *Cost Accounting Standards*, including but not limited to placing unallowable costs in appropriate allocation bases.

The personnel policies under Contracts DE-AC54-00AL66620 and DE-AC05-00OR22800 do not transfer to this Contract, with the exception of personnel policies assumed during the Transition Term. The assumed personnel policies, procedures, and other related documents will expire with the various implementation dates contained in this Appendix. If there is a conflict between the Contractor's policies and the terms of this Contract, the Contract will govern. Nothing in this Appendix makes costs allowable or reasonable that would otherwise be unallowable or unreasonable. The effective date for all items contained herein is October 1, 2014 unless otherwise indicated in this Appendix.

The Contractor shall obtain prior Contracting Officer approval of changes 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 shall 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 Resource services.

The Contractor shall use effective management review procedures and internal controls to assure that the allowable costs set forth herein are not exceeded. In addition, the Contractor shall ensure that, cost items which require prior approval of the NNSA Contractor Officer or designated representative are reviewed and approved prior to incurrence of costs.

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 shall be executed to effect the changes.

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 of action or any other 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.

Ad Hoc Employee: Employees that are utilized on a project-type basis and their work hours are determined on a case-by-case basis by their management and the ad hoc employee. Ad Hoc employees are not eligible for company benefits.

Adjustment – an increase to an employee's pay, but not job level, due to increased job scope, market comparability, internal equity, etc.

Basic Pay: Rate of pay per hour, per week, per pay period, per month, or per year exclusive of any premium.

Bargaining Unit Employees (Union Employees): Employees whose wages, hours of work, and working conditions have been negotiated into collective bargaining agreements.

Compensation Increase Plan (CIP): A plan for establishing need and specifying distribution of maximum dollar amounts and/or percentage of base payroll on an annualized basis, to be allocated to employee groups for base pay increases or lump sum payments during a pay year. The amounts approved are for granting merit, promotion, and adjustment increases.

Contractor: Refers to Consolidated Nuclear Security, LLC (CNS) or its successor under DE-NA0001942.

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

Exempt Employees: Employees exempt from the provisions of the Fair Labor Standards Act (FLSA).

Immediate Family: Immediate family members include spouse, children, stepchildren, parents, stepparents, parents-in-law, brother, sister, half-brother, half-sister, brother-in-law, sister-in-law, grandparents, grandchildren of the employee of the employee, son-in-law, and daughter-in-law.

Nonexempt Non-bargaining (NENB) Employees: Employees entitled to overtime pay and minimum wage as described in the FLSA.

Overtime Pay: Payment for NENB employees at the rate of time and a half their basic pay for hours worked between 40 and 52 in a work week, and at a rate of double time their basic pay for hours worked in excess of 52 in a work week.

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

Straight time pay or straight time: Refers to overtime paid to exempt employees at their hourly Basic Rate.

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

Variable Pay: A lump-sum, non-base cash payment separate from base salary.

Work Week: The employee's work schedule within a fixed and recurring period of 168 hours over 7 consecutive 24-hour periods.

## 3.0 COMPENSATION

The Compensation System program costs directly attributable to compensation provided to Contractor Employees will be allowable under this Appendix I. Section 3.0, Compensation, does not apply to Bargaining Unit Employees. Section 4.0 sets forth allowable costs associated with Bargaining Unit Employees.

A. Variable Pay

1. Variable pay is reimbursable as outlined in the Annual Compensation Increase Plan (CIP) and allows the company to maintain a competitive position in the external market to attract, retain, and motivate top talent.

2. Non-base payments determined concurrently with salary increases and certain non-base awards may be granted throughout the year. These awards are funded from the total non-base budget. Costs associated with the following non-base programs are allowable.

   a. Appointments and Advancements

   b. Other non-base bonus programs developed to respond to plant hiring and retention needs (e.g. sign-on bonuses; retention bonuses; Leadership Incentive Awards-bonus program includes supervisors, managers and high level individual contributors; Special Recognition Awards–award to recognize individuals for their contributions and milestones that have substantial impact on organizational programs; Critical Retention Program–award program established to retain critically skilled employees in technical areas such as engineering and information technology).

3. Additional Bonus for Non-Key Personnel

   Non-base lump sum payments as a form of bonus to non-Key Personnel in accordance with the cost reduction clause (DEAR 970.5215-4 – NNSA Deviation dated November 2011) from resulted shared savings earned and negotiated cost reduction proposals will be allowable.

B. Overtime Pay Program (effective July 1, 2018)

The Contractor shall maintain adequate internal controls to ensure that Employee overtime is authorized only if cost effective and necessary to ensure performance of

work under this Contract. The Contractor must submit to the Contracting Officer overtime utilization reports no later than one month after the end of each quarter (end of quarter = March 31, June 30, September 30 and December 31). If the report indicates that overtime comprised 4% or more of the overall payroll, the Contracting Officer may request that the Contractor submits a plan to lower the overall overtime rate as a percentage of payroll for the quarter following the quarter in which overtime exceeded 4% of total payroll. The Contractor shall notify the Contracting Officer when it is likely that overtime usage as a percentage (exempt and nonexempt base pay) of payroll may exceed, or is likely to exceed, 4% of overall payroll. For purposes of further defining language used below, hours worked is intended to describe hours charged where work was performed while time paid is intended to describe all hours paid.

1. Nonexempt Non-Bargaining (NENB)

    a. All hours worked shall be included for computing Overtime Pay. Paid Time Off, Plant Closure, Plant Delay, Jury duty and Holiday time paid will be counted as hours worked in the computation of overtime.

    b. Employee working a regular scheduled ten (10) hour shift and required to work thirteen (13) or more continuous hours will be granted thirty (30) minutes on company time to eat provided they will continue working and thirty (30) minutes for each subsequent four (4) hour period of work.

    c. Employee working a regular scheduled nine (9) hour shift and required to work twelve (12) or more continuous hours will be granted thirty (30) minutes on company time to eat provided they will continue working and thirty (30) minutes for each subsequent four (4) hour period of work.

    d. Employee working a regular scheduled eight (8) hour shift and required to work eleven (11) or more continuous hours will be granted thirty (30) minutes on company time to eat provided they will continue working and thirty (30) minutes for each subsequent four (4) hour period of work.

    e. An Employee called in by the Contractor to work outside his/her regular shift to meet special requirements may be paid at the applicable overtime rate for all hours worked, or four (4) hours straight time pay, whichever is greater.

    f. Call-In Allowance: An Employee who properly reports to work and is sent home because of lack of work shall receive a minimum of four (4) hours pay at his or her regular hourly rate.

    g. Holdover Allowance: A NENB Employee who is held over at their end of their shift will be paid only for the actual time worked and held over.

2. Exempt

   a. The following Exempt Employees are eligible for straight time pay for over 80 hours worked in a bi-weekly period or pay period or 40 hours worked in a Work Week, when overtime work is directed and approved:

      - Supervisors of Bargaining Unit Employees
      - Supervisors within the Fire Department
      - Supervisors within the Utilities Department
      - Supervisors within the Security Force Department
      - Employees within the Emergency Operations Center/Plant Shift Superintendents Office

      All hours worked shall be included for computing Overtime Pay. Paid Time Off, Plant Closure, Plant Delay, Jury duty and Holiday time paid will be counted as hours worked in the computation of overtime for the above exempt employees.

   b. Extended Work Week - Under extenuating circumstances, where Exempt Employees are required to work greater than 50 hours/week or 100 hours in a bi-weekly pay period on a continuing basis for five weeks or greater to meet critical goals and milestones, the Contractor may pay for additional hours above 45 hours per week or 90 hours in a biweekly pay period at the straight time rate for those additional hours. The request requires the approval of both the affected Contractor's Division Manager/Director and the Chief Human Resources Officer.

C. Shift Differential (effective January 1, 2015)

1. Shift Differentials will be applied according to the schedule below:

**Shift Differentials**

| | **Pantex** | | | | **Y-12** | | | |
|---|---|---|---|---|---|---|---|---|
| | **Evening Shifts, and Daytime Weekend Work as Part of a Regular Work Schedule** | | **Overnight Shifts, Evening Weekend Work as Part of a Regular Work Schedule, and Rotating Shifts** | | **Evening Shifts, and Daytime Weekend Work as Part of a Regular Work Schedule** | | **Overnight Shifts, Evening Weekend Work as Part of a Regular Work Schedule, and Rotating Shifts** | |
| | **Exempt** | **NENB** | **Exempt** | **NENB** | **Exempt** | **NENB** | **Exempt** | **NENB** |
| 2015 | 10% | 5% | 10% | 5% | 6% | 5% | 8% | 5% |
| 2016 | 9% | 5% | 10% | 6% | 7% | 5% | 9% | 6% |
| 2017 and Beyond | 8% | 5% | 10% | 7% | 8% | 5% | 10% | 7% |

2. Employees who work shifts subject to a shift differential and who work overtime during their work week will receive Overtime Pay computed on their basic pay plus Shift Differential, if any, in effect during their regularly scheduled shift.

D. Approval of Individual Compensation Actions

1. Approval of Key Personnel Compensation Actions

   The compensation actions for all Key Personnel shall be submitted for approval upon replacement and at least thirty (30) days in advance of the proposed effective date, when possible. DOE/NNSA shall exert its best efforts to process the approval determination within the thirty (30) day window, subsequent approval may be made retroactive to the effective date proposed by the Contractor.

2. Approval of Individual Compensation Actions in Excess of Salary Range

   The Contractor shall obtain DOE/NNSA approval for any proposed salary amount paid an Employee in excess of the salary range prior to payment.

E. Special Allowances

Special salary allowances may be paid to Employees for certifications and/or qualifications and in specific work environments, and reimbursed in accordance with the Special Allowance Plan approved by the Contracting Officer. The addition, deletion, or modification of any Special Allowance shall be based upon:

- Affordability within the existing budget
- Comparability to the market
- Notification to/Approval of the Contracting Officer prior to implementation

F. Pay in Lieu of Notice

In the event the Contractor allows an Exempt Employee to resign with notice and, as deemed by the Contractor, the services of such Employee cannot be productively utilized during the period of notice or if his/her presence at the work site during the notice period is not desired, the Contractor may pay the Employee at his/her base pay for two (2) weeks in lieu of continuing the Employee's employment for two weeks.

G. Pay to Surviving Spouse or Dependents after the Death of an Active non-bargaining Employee.

In case of the death of an active, non-bargaining Employee, salary payments shall be continued until the end of the month following the month in which death occurs.

H. Part Time Employment

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

The provisions of this paragraph shall apply to Employees hired as part-time and/or Employees transferring from full-time to part-time status who apply and receive approval for part-time employment status. Part-time status is defined as working between 20 – 39 hours during a work week. All part time Employees will be paid in accordance with hours worked, no matter whether their duties would typically exempt them from FLSA coverage.

1. All part-time Employees are considered nonexempt for overtime purposes consistent with the FLSA.

2. Part-time Employees will be paid straight time for all hours worked up to 40 in a week, no matter how many hours are worked in any one day.

3. Part-time employees are not eligible for paid personal leave.

4. Part-time Employees shall be eligible to participate in the Compensation Increase Program.

5. Part-time Employees are eligible to participate in certain company benefit plans, policies and procedures as described below.

| **Benefit** | **20 to 39 hours week;** |
|---|---|
| Jury Duty | Pro-rated |
| Severance Pay | Pro-rated |
| Military Leave of Absence | Pro-rated |
| Bereavement | Pro-rated |
| PTO | Pro-rated |
| Holiday Pay | Pro-rated |
| Group Insurance, Medical, Dental, Vision | Full |
| Tuition Assistance Program | Full |
| Savings Plan | Full |
| Retirement | Full |
| Rewards & Recognition Program | Full |
| Short Term Disability | Pro-rated |
| Long Term Disability | Pro-rated |

Pro-rated benefits will be determined annually by calculating a percentage of hours paid versus available hours of work for the previous calendar year. In cases where there is a plant delay and the part-time employee is enroute to/from work, he/she will be paid for that time. If the part-time employee is at work and the plant is subsequently closed, he/she will be paid for the remainder of the scheduled shift. If advance notice is provided, plant closure time will not be paid.

I. Ad Hoc Employees

Ad Hoc Employees may be hired at the salary ranges consistent with internal and external market pricing for comparable jobs. Ad Hoc Employees are utilized on a project-type basis and their work hours are determined on a case-by-case basis by their

management. Ad Hoc Employees are not eligible to participate in any Contractor benefits plans.

## 4.0 LABOR RELATIONS – COLLECTIVE BARGAINING AGREEMENTS

Costs of wages and fringe 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 provided the Contractor adheres to requirements provided in Section J Appendix A, *Statement of Work*, Chapter III Section 5.0, Labor Relations.

The terms and conditions set forth in the following collective bargaining agreements between the Contractor and recognized bargaining agents for its Employees assigned to work under this Contract constitute the allowable costs for Bargaining Unit Employees' compensation and benefits for reimbursement by DOE/NNSA. The following collective bargaining agreements are incorporated by reference:

1. The Atomic Trades and Labor Council AFL-CIO and its affiliated unions.
2. International Guards Union of America Local #3 (IGUA - Security Police Officers).
3. International Guards Union of America Local #3 (IGUA – Central Alarm Station and Beta-9 Operators, Central Training Facility Instructors).
4. Knoxville Building and Construction Trades Council.
5. The Metal Trades Council of Amarillo Texas and Vicinity, AFL-CIO.
6. The Pantex Guards Union.
7. United Steel Workers (USW), Local #9-288.
8. West Texas Building Trades.
9. Teamsters Local 519.

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

## 5.0 BENEFITS

A. Group Insurance and Legally Required Payments

1. Costs incurred in implementing, administering, auditing, and funding comprehensive DOE/NNSA approved group insurance plans are allowable. 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.

2. Annual renewal of the group insurance policies, certificates and accounts, cost-sharing arrangements, renewal of Group Services Agreements establishing new premium rates and the implementation of changes of minor significance does not require Contracting Officer approval.

3. The employee benefit plans, any third party vendor costs, and other related costs listed below are approved by DOE/NNSA for application to Employees working on this Contract. In addition, eligible retirees of the Contractor are entitled to limited coverage of these benefits.

4. The combined health and welfare plans for the non-bargaining active Employees and retirees may include the following:

| Company Sponsored Plans | Contractor Cost |
|---|---|
| Group Life Insurance | Employer provides one times salary at 100% cost. For Y-12 non-bargaining employees hired prior to January 1, 2012 who were participants in the plan on December 31, 2014, employee purchases one times salary and employer provides one times. Cost is shared equally. |
| Group Life Insurance Accidental Death and Dismemberment | Employer provides one times salary at 100% cost. |
| Medical (including prescription drug coverage) | Employer pays applicable percentage of the full cost of the core medical plan as approved by Contracting Officer.<br><br>Employer provides an additional annual contribution for employees who enroll in the high-deductible medical plan. Employees electing single coverage receive $250 and those enrolling dependents receive $500 each year.<br><br>A one-time early adopter credit was provided to non-bargaining employees who elected the high-deductible medical plan in 2015. Employees who elected single coverage received $1,000 and those enrolling dependents received $1,500. The early adopter credit was in addition to the annual contribution amount.<br><br>**CNS non-bargaining active:**<br>Pantex<br>• Employer pays 82% of full cost effective 1/1/14<br>• Employer pays 81% of full cost effective 1/1/15<br>• Employer pays 81% of full cost effective 1/1/16<br>• Employer pays 80% of full cost effective 1/1/17<br>• Employer pays 79% of full cost effective 1/1/18<br>• Employer pays 78% of full cost effective 1/1/19<br>• Employer pays 77% of full cost effective 1/1/20<br>• Employer pays 76% of full cost effective 1/1/21<br>• Employer pays 75% of full cost effective 1/1/22<br>• Employer pays 75% of full cost effective 1/1/23 |

| | |
|---|---|
| | • Employer pays 75% of full cost effective 1/1/24<br><br><br><br>Y-12<br>• Employer pays 78% of full cost effective 7/1/14<br>• Employer pays 77% of full cost effective 1/1/15<br>• Employer pays 77% of full cost effective 1/1/16<br>• Employer pays 77% of full cost effective 1/1/17<br>• Employer pays 77% of full cost effective 1/1/18<br>• Employer pays 77% of full cost effective 1/1/19<br>• Employer pays 76% of full cost effective 1/1/20<br>• Employer pays 76% of full cost effective 1/1/21<br>• Employer pays 75% of full cost effective 1/1/22<br>• Employer pays 75% of full cost effective 1/1/23<br>• Employer pays 75% of full cost effective 1/1/24<br><br>**CNS – Pre-65 retirees with 10 or more years of service:**<br>Pantex<br>• Employer pays 78% of full cost effective 1/1/14<br>• Employer pays 77% of full cost effective 1/1/15<br>• Employer pays 77% of full cost effective 1/1/16<br>• Employer pays 77% of full cost effective 1/1/17<br>• Employer pays 76% of full cost effective 1/1/18<br>• Employer pays 75% of full cost effective 1/1/19<br>• Employer pays 74% of full cost effective 1/1/20<br>• Employer pays 73% of full cost effective 1/1/21<br>• Employer pays 72% of full cost effective 1/1/22<br>• Employer pays 71% of full cost effective 1/1/23<br>• Employer pays 70% of full cost effective 1/1/24<br><br>Y-12<br>• Employer pays 75% of full cost effective 7/1/14<br>• Employer pays 73% of full cost effective 1/1/15<br>• Employer pays 73% of full cost effective 1/1/16<br>• Employer pays 73% of full cost effective 1/1/17<br>• Employer pays 73% of full cost effective 1/1/18<br>• Employer pays 73% of full cost effective 1/1/19<br>• Employer pays 72% of full cost effective 1/1/20<br>• Employer pays 70% of full cost effective 1/1/21<br>• Employer pays 68% of full cost effective 1/1/22<br>• Employer pays 66% of full cost effective 1/1/23<br>• Employer pays 65% of full cost effective 1/1/24 |

| | |
|---|---|
| Vision Plan | **CNS non-bargaining active:**<br>Employer pays 75% of full cost.<br>**CNS pre-65 retirees with 10 or more years of service:**<br>Employer pays 75% of full cost. |
| Health Reimbursement Account (for post-65 retirees at Y-12) | Employer provides annual contribution to retirees who elect medical coverage under the Retiree Healthcare Exchange. Currently, the annual employer contribution is $1,800 per participant. |
| Dental Plan | **CNS non-bargaining active:**<br>Employer pays 75% of full cost for basic coverage and 65% of full cost for the buy-up option<br>**CNS pre-65 retirees with 10 or more years of service:**<br>Employer pays 75% of full cost for basic coverage and 65% of full cost for buy-up option. |
| Business and Foreign Travel Insurance | 100% paid by employer. |
| Short-Term Disability | Employer provides income replacement at 100% for the first six weeks of an approved disability; 80% for the second six weeks (weeks 7 – 12) of an approved disability; and 70% for the next fourteen weeks (weeks 13 – 26) or an approved disability up to a maximum of 26 weeks. |
| Long-Term Disability | Employer provides a benefit equal to 30% of base pay, up to a monthly maximum of $5,000. Employee may purchase an additional 30% benefit to provide total coverage of 60% of pay, up to an $8,000 monthly maximum. |
| Employee Voluntary Plans:<br>Voluntary Employee plans such as Special Accident Insurance Plan, Health and dependent Care Spending Accounts, Spouse/Child Life Insurance, and supplemental Life Insurance, etc. may be offered with the employer paying administrative cost only. | |

B. 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 a DOE/NNSA approved workforce restructuring plan (see Section J, Appendix A, 6.2).

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. The DWMBP benefits are as follows:

1. 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.

2. Beginning in the second year after the Termination date (months 13 - 24), 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.

3. Beginning in the third year and final year of the DWMBP (months 25 – 36), the separated Employee will be responsible for paying the full COBRA. At the end of the third year the Employee's coverage eligibility ends.

C. Retirement Plans

The Contractor shall administer the following plans:

**Qualified – Pantex**

- Retirement Plan for Metal Trades Council Bargaining Unit Employees of Consolidated Nuclear Security, LLC at Pantex, Texas
- Retirement Plan for Pantex Guards Union Bargaining Unit Employees of Consolidated Nuclear Security, LLC at Pantex, Texas
- Retirement Plan for Non-Bargaining Unit Employees of Consolidated Nuclear Security, LLC at Pantex, Texas
- Consolidated Nuclear Security, LLC 401k Plan for Bargaining Unit Employees at Pantex, Texas
- Consolidated Nuclear Security, LLC 401k Plan for Non-bargaining Unit Employees at Pantex, Texas

**Qualified – Y-12**

- Retirement Program Plan for Employees of Consolidated Nuclear Security, LLC at the U.S. Department of Energy Facilities at Oak Ridge, Tennessee
- Savings Plan for Employees of Consolidated Nuclear Security, LLC at the U.S. Department of Energy Facilities at Oak Ridge, Tennessee.

**Non-Qualified – Y-12**

- Consolidated Nuclear Security, LLC Supplemental Retirement Income Plan

1. General Provisions

Reasonable costs involved in implementing, administering, and funding DOE/NNSA approved pension plans are allowable. Reasonable 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. In addition, only

compensation reimbursed by DOE/NNSA under the Contract is authorized to be considered as pensionable earnings for purposes of the qualified and non-qualified plans.

a. Qualified Defined Contribution Plan

Contractor funds contributed on behalf of participating Employees, who cancel their participation in the plan or whose employment is terminated, which are not vested pursuant to the provisions of the plan, shall be used to offset the Contractor's contributions obligated to be made on behalf of other participants in the plan or to offset reasonable plan expenses if permitted by the plan. In the event this Contract with the Contractor is terminated, funds not committed to participants pursuant to provisions of the plans in effect at Y-12 and Pantex shall be returned to DOE/NNSA.

b. Nonqualified Plans

The Contractor will be reimbursed for costs for the Supplemental Retirement Income Plan only in accordance with the allowable salary cost parameters established by DOE/NNSA and agreed to by Consolidated Nuclear Security, LLC, in conjunction with applicable regulatory provisions. 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 benefits under the nonqualified plan, benefits amount paid to include supporting data to determine the benefit paid; and, any other data as requested by the Contracting Officer.

D. Severance Pay

Severance pay provisions will apply to non-bargaining employees who are involuntarily terminated in a reduction in force.

1. Pay Schedule

Non-bargaining employees laid off due to a reduction in force:

| **Company Service** | **Severance pay at basic pay** |
|---|---|
| 1 full year or greater | Severance equal to 1 week's pay for each full year of Company Service up to 26 weeks |
| Total Maximum Benefits | 26 weeks' pay |

2. Disqualification for Severance Benefits

Contractor will not be reimbursed for costs associated with severance provided to the following categories of employees:

- any individual who is employed in a temporary position, as determined by the Contractor;
- any individual who is categorized by the Contractor as a bargaining unit employee;
- any individual who has less than one year of Company Service;
- any individual who occupies one of the Key Positions identified in Section J, Appendix J;
- any individual who is paid as an independent contractor or who is a leased employee; even if it is determined that the individual is a common law employee, the individual will not be eligible to participate unless the individual is paid through the employer's regular payroll and has wages reported by the Contractor on IRS Form W-2;
- any individual who terminates employment due to death;
- any individual who leaves the employment of the Contractor voluntarily, or who initiates the termination of employment, unless the individual voluntarily terminates employment pursuant to an approved voluntary separation program;
- any individual who is terminated for cause which includes, but is not limited to, poor performance, misconduct, or a violation of the Contractor's rules or policies, all as determined by the Contractor;
- any individual who has an outstanding debt owed to the Contractor, unless the individual agrees in writing that the Contractor may withhold the total amount of the outstanding debt from the severance payment;
- any individual whose employment is terminated due to a temporary suspension of work;
- any individual who is employed by or receives an offer of employment with a contractor awarded a contract by the U.S. Department of Energy or the National Nuclear Security Administration for the management and operation of the Y-12 National Security Complex or the Pantex Plant, or any portion thereof;
- any individual who has signed a waiver of benefits, whether or not the waiver was executed before or in connection with his or her termination of employment;
- any individual who declined to sign a waiver claims as required by the Contractor as a condition to receipt of severance pay and
- any individual who is employed by or receives an offer of employment 1) with the Contractor 2) with one of the members of the LLC that comprises the Contractor at another facility, 3) or with a subsidiary, affiliate or parent company of any Contractor member.

Contractor employees who are involuntarily separated and receive severance pay and then become rehired by 1) the Contractor, 2) one of the members of the LLC that comprises the Contractor at another facility or 3) a subsidiary, affiliate or parent company of any Contractor member, will be required to repay a pro rata portion of severance if the individual becomes reemployed before the expiration of the number of weeks corresponding to the severance pay received. For example, if a Contractor employee receives 16 weeks of severance pay, but becomes reemployed 8 weeks

after termination, CNS will seek to recoup from the individual ½ of the severance pay provided to him/her.

In the situations described in the preceding paragraph, the Contractor is responsible for remitting to DOE/NNSA the amount associated with severance it is required to attempt to recover from the individual, even if the Contractor is not fully successful in its efforts to recoup the severance pay from the individual. This requirement may be waived by the Contracting Officer.

3. Voluntary Separation Plans:

   Section J, Appendix A, Section 6.2.1 permits the use of a Voluntary Separation Program (VSP) to minimize the number of involuntary separations and mitigate the impact on affected employees. Section 6.2.1 also states the Contractor shall submit the VSP for approval by the Contracting Officer prior to implementation regardless of the number of employees involved. Any VSP document submitted to the Contracting Officer for approval must include the requirement that VSP participants will be required to repay a portion of severance pay in the event the VSP participant becomes reemployed by the Contractor or a DOE/NNSA contractor at another facility within one year of terminating employment with the Contractor.

## 6.0 PAID AND UNPAID TIME OFF

A. Paid Time Off (PTO) (effective January 1, 2015 and amended in (1) & (4) below)

1. Employees will accrue PTO hours every pay period based on years of service up to a maximum accrual of 200 hours annually. PTO hours can be used for vacation, sick leave and personal time off from work. Employees can bank up to 240 hours in their PTO accounts in addition to their annual accrual amounts. Effective September 28, 2022, employees are authorized to increase the PTO carryover balance to 300 hours for a period of two years with the balance of 240 hours of carryover to be effective January 1, 2025.

2. Employees will begin accruing their next level of additional PTO on the first day of the pay period in which their company anniversary falls. Company service includes continuous time worked for predecessor DOE/NNSA management and operating contractors at Pantex and Y-12.

3. Beginning with the first pay period of January 2015, PTO hours will be accrued based on the following:

| Years of Service | Annual PTO Accrual |
|---|---|
| Less than 5 Years | 120 hours |
| 5-10 Years | 160 hours |
| More than 10 Years | 200 hours |

4. Beginning January 1, 2015 and each January thereafter, all banked PTO hours in excess of 240 at the end of the calendar year will be paid out as soon as administratively possible. Effective May 5, 2021, this payout of excess PTO for non-bargaining employees is eliminated. An Employee shall be paid for unused PTO at the time of termination.

5. PTO donation policies and programs will continue at both sites.

6. The Contractor may, grant a newly-hired Employee service credit for purposes of PTO accrual when it is deemed necessary in order to attract and hire requisite highly-skilled staff. A maximum of 40 additional hours of annual PTO accrual may be granted, and these cases must be reported to the Contracting Officer on a quarterly basis or as requested.

B. Paid Personal Leave (effective January 1, 2016)

Effective January 1, 2016, non-bargaining employees will receive 40 hours of paid personal leave annually. Employees may use personal leave if they are unable to attend work due to one or more of the following reasons:

- Employee's personal illness or injury
- Medical or dental appointments that cannot be scheduled outside the regular shift
- Serious illnesses within the immediate family which require the employee's presence. (effective October 1, 2017)

Employees must use all paid personal leave within a given calendar year. Any remaining hours will be forfeited at the end of the calendar year and will not be paid out to the employee under any circumstances.

C. Sick Leave Bank (effective January 1, 2015)

If applicable, any hours remaining in the sick leave bank of a non-bargaining Employee as of 12/31/14 will be "frozen" and available for use in the event of the employee's own serious health condition where coverage under the Contractor's short term disability would be available.

D. Parent Company Transfer of Service Credit (effective July, 1, 2014)

1. Recognition for service with a Parent Organization, as that term is defined in NNSA SD 350.1, of the performing entity will transfer to the Contractor for purposes of PTO accrual amount, 401k vesting and eligibility, and short term disability.

| Benefit Available | Recognition for Service with Parent Organization NOT UNDER DOE or NNSA M&O or Site Management Control | Recognition for Service with Parent Organization UNDER DOE or NNSA M&O or Site Management Control |
|---|---|---|
| Eligibility for and accrual rate for PTO | Yes | Yes |
| Eligibility for vesting and receipt of benefit for defined contribution Plans | Yes | Yes |
| Eligibility for short term disability | Yes | Yes |

2. Individuals that are deemed eligible for parent service credit recognition will not receive DOE/NNSA reimbursed sign-on bonuses.

3. Recognized service with a Parent Organization cannot be used for eligibility for post-retirement health benefits or for any other purpose other than those in the chart under Section 6.0(D)(1).

4. The Contractor shall report bi-annually, on October 1 and March 1, to the Contracting Officer, the names of individuals receiving service credit recognition and the amount of service recognized. The Contractor shall keep records showing that the company service credit was verified.

E. Holidays (effective January 1, 2015)

Each full-time non-bargaining Employee may, when the work schedule permits, be granted 90 hours or 10 days of paid holiday time annually. The Holiday schedule in effect June 30, 2014 will remain in effect through December 31, 2014.

Beginning January 1, 2015, observed holidays include seven named holidays and three floating holidays but shall not exceed 90 hours or10 days of holiday pay per Employee.

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving (companion to Thanksgiving Day—standard day off for Employees on 4 10-hour day schedule)
- Christmas Day

1. The three floating holidays can be used on days of Employee's choice during the year with prior management approval.

2. Floating holidays must be used by the end of the year given that they do not carry over to the following year.

3. A non-exempt employee required to work on a designated holiday will receive applicable holiday premiums.

F. Jury and Witness Duty (effective January 1, 2015)

Employees who have been called to serve or who ultimately serve on a jury impaneled by a civil authority, or who have been called to testify as witnesses in legal proceedings to which the Employee is not a party under subpoena, will be granted time off with pay. Time off with pay will not exceed the number of hours in their scheduled workday.

G. Bereavement Leave (effective January 1, 2015)

In the event of the death of a member of the Employee's Immediate Family, an active Employee may be granted up to 3 days paid leave based on current regular work schedule. Bereavement leave may be granted where the deceased relative is not a member of the Immediate Family as defined above subject to approval of the Contractor's Chief Human Resources Officer.

H. Voting Time (effective January 1, 2015)

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

I. Plant Shut Down

The Contractor's CEO or COO, in conjunction with the NPO Manager, has the responsibility to decide whether a natural or civil emergency condition exists to the extent it prevents Employees from reporting to work, or requires that they leave the work location during scheduled work hours. When normal attendance requirements are waived or modified due to emergency situations, Exempt Employees will receive their normal salary and will not be docked PTO due to the closure. Nonexempt Employees will be paid at their base pay rate not to exceed the number of hours they were scheduled to work during the day(s) of the facility closure.

J. Leaves of Absence

An Employee may be granted a leave of absence without pay, for a period of up to twelve months with an option of extending the leave of absence by the Contractor provided the absence will not interfere with the Contractor's operations or create any conflict of interest. Continuation of benefits and service credit during the leave of absence shall be administered according to the Contractor's policy.

K. Military Leave of Absence

1. Training/Active Duty Training/Inactive Duty Training

   a. Employees, who are members of the National Guard or Reserve Component of any military branch, shall be granted a leave of absence of up to three weeks [fifteen (15) workdays] per calendar year for training, active duty training, or inactive duty training.

   b. During this absence, non-bargaining Employees shall be paid the difference between their basic pay for the number of hours in their regular work schedule at the time of training and the base Guard or Reserve Component pay received for workdays absent (excluding allowances and travel pay).

2. Active Duty/Deployment/Individual Augmentee

   a. Employees, who are members of the National Guard or Reserve component of any military branch, shall be granted a paid leave of absence of up to two (2) months for active duty, deployment or individual augmentee assignments.

   b. During this absence, non-bargaining Employees shall be paid the difference between their basic pay for the number of hours in their regular work schedule at the time of deployment and their base Guard or Reserve Component pay received for workdays absent (excluding allowances and travel pay).

L. Decision Making Leave

Time off with pay under the company disciplinary policy is allowable. Certain instances of this leave will be without pay in accordance with the company disciplinary policy.

## 7.0 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. Such system shall provide an approval structure for in-house and outside training programs and educational assistance. Local colleges and universities will be utilized as primary sources.

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. Employees are not paid for afterhours attendance except

for NENB Employees who are required to attend and will be paid overtime, if applicable. Reasonable costs of in-house training including necessary equipment, materials, and instructor personnel are allowable.

2. External Training Programs – Employees may be selected by the Contractor 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 subsistence expenses, and the cost of tuition, fees, and course materials. Business travel and conference management shall be managed in accordance with the DOE/NNSA conference management requirements.

C. Tuition Assistance Program

1. Employees (and students who have accepted a permanent job offer and signed an employment commitment letter under the Contractor's pre-hire program and with the Contractor's Chief Human Resources Officer approval) may be reimbursed one hundred percent (100%) of books, tuition costs including lab and other such fees, and other costs related to their approved coursework. If an Employee is receiving educational assistance specifically for tuition, fees and books from Federal or State assistance; scholarships; grants; or college discounts, such assistance will be deducted in determining Employee's benefits under the Tuition Assistance Program. Reimbursement of costs shall be subject to the following conditions:

   a. Courses are taken outside of paid working hours.

   b. Courses are related to the Employee's current position or to another position within the Contractor's organization to which the Employee may reasonably be moved or related to a degree program with a direct relationship to the Employee's career path with the Contractor.

   c. An Employee is eligible to enter the Tuition Assistance Program on the first day of employment with the Contractor.

   d. A student pursuing a degree in a critical skill area may be eligible to enter the Tuition Assistance Program upon acceptance of a permanent job offer and signed employment commitment stating his/her commitment to remain employed by the Contractor for the following specific periods of time.

| Degree | Service Length |
|---|---|
| Certificate, Continuing Education, and Student Pre-Hire | Employee must fulfill an employment commitment of two (2) times the length of the educational period (Example: Certification class lasts three (3) months, employee owes six (6) months employment from the final reimbursement date) |
| Courses toward Undergraduate Degree | Employee must fulfill an employment commitment of 12 months after final reimbursement date |

| | |
|---|---|
| Courses toward Graduate Degree | Employee must fulfill an employment commitment of 24 months after final reimbursement date |

In the event such Employee does not fulfill the conditions of his/her commitment, the Contractor shall use its best efforts in a cost efficient manner to recover from the Employee the cost of tuition assistance received. In the event the Contractor is unable to fulfill the employment commitment to the student for reasons outside its control, including budgetary deficits, the Contractor agrees to reimburse the student for the tuition assistance that would have otherwise been paid under the Tuition Assistance Program.

e. Courses may only be taken at or through an accredited institution of higher learning.

f. Reimbursement of funds shall be provided for tuition, lab fees, other such fees directly related to enrollment in a course, the cost of required textbooks and similar necessary expenses, but does not include transportation, meals, and like ancillary expenses.

g. The allowance provided for herein shall be paid to an Employee after completion of each semester session or term, provided that the Employee shall have submitted evidence authenticated by the educational institution certifying that a grade of "C" or its equivalent or better was received by such Employee in each course for which reimbursement is sought.

   i. If an Employee withdraws from a course because of a Contractor directed job or shift transfer, because of involuntary entry into military service, or for some other reason beyond his/her control, the Employee may be reimbursed for that portion of tuition not refunded by the educational institution.

h. Tuition Assistance is not allowable if any one of the following conditions occur:

   i. Employee terminates employment prior to completion of the course, either voluntarily or for cause. However, if termination results from a reduction in force, educational assistance costs will be allowable.

   ii. Employee withdraws from the course for personal reasons.

   iii. Employee fails to submit evidence that a course was satisfactorily completed

i. Upon completion of Contractor reimbursed education, including tuition, fees, textbooks, subsistence, salary and other related expenses, the Contractor must require Employees to complete a service requirement as follows:

| Degree | Service Length |
|---|---|
| Certificate, Continuing Education, and Student Pre-Hire | Employee must fulfill an employment commitment of two (2) times the length of the educational period (Example: Certification class lasts three (3) months, employee owes six (6) months employment from the final reimbursement date) |
| Courses toward Undergraduate Degree | Employee must fulfill an employment commitment of 12 months after final reimbursement date |
| Courses toward Graduate Degree | Employee must fulfill an employment commitment of 24 months after final reimbursement date |

j. The Contractor shall make reasonable efforts to recoup education and related expenses when an Employee fails to fulfill the service requirements. Reasonable efforts may include sending a demand letter to the individual or pursuing appropriate legal action.

D. Paid Education Leave/Sabbatical Leave

Leave may be granted to an Employee who is obtaining an advanced degree that will further the DOE/NNSA mission. Leave may be approved for a cumulative duration not to exceed 24 months. No more than 4 Employees can be on paid educational leave/sabbatical leave at any one time. The Contractor must require the Employee departing on paid leave to sign a document agreeing to repay salary and benefit costs received during leave if the Employee does not come back to work for the Contractor upon expiration of the period of paid leave. If the Employee leaves company prior to 3 years after returning to active work, the Employee will pay back a prorated portion of the salary continuation and benefit costs based on the time the Employee has been back as an active Employee. No educational assistance, travel or relocation expenses will be paid to these Employees.

## 8.0 EMPLOYEE PROGRAMS

A. Employee Recognition and Memberships

1. The costs of employee recognition programs and organizational and individual memberships are allowable based on a budget formula not to exceed ¼ of 1% of base payroll on September 30 of the prior fiscal year, provided the costs are otherwise allowable under the FAR, DEAR, and the terms of the Contract. Program costs include the following types of activities:

a. Company service awards for achieving milestones consistent with the corporate service awards program.

b. Safety awards and recognition to promote health and safety.

c. Awards, recognition, and celebrations for participating in management initiatives, special achievements, retirement, and similar activities to the extent they are reasonable and consistent with industry practice.

d. The costs of organization and employee memberships in trade, business, and technical organizations necessary for effective performance of work under the Contract provided they are reasonable and do not constitute payment for, or in support of, partisan and political (lobbying) activity.

e. Two thousand five hundred dollars ($2,500) for each inventor (or each co-inventor) for each invention filed in the U.S. Patent and Trademark Office which benefits the objectives of the Contractor and DOE/NNSA.

f. An employee morale and recreation program is authorized, at a level of no more than $50 per employee

2. Additionally, the Contractor may establish and maintain programs to promote a strong safety culture through increased focus on safety and health awareness, acknowledgement of safety milestone achievements, and Employee/team safety performance recognition and awards. Examples of existing programs are the Voluntary Protection Program (VPP) at Y-12 and the Safety & Health Awareness and Recognition Program at Pantex. The cost of the program will be allowable not to exceed $200,000 per fiscal year, provided the costs are reasonable and in accordance with the cost principles.

3. B. Work Apparel

Expenses for safety/protection on the job; laundry or similar service is allowable for Employees who are required or allowed to wear such special clothing, shoes, and/or protective equipment.

## 9.0 TRAVEL, RELOCATION, AND SUBSISTENCE (EFFECTIVE JULY 1, 2014)

A. The Contractor may pay transportation, lodging, meals, and incidental expenses for Employees required to travel in conjunction with the performance of work under this Contract. Travel costs shall be allowable to the extent they are incurred in accordance with the Federal Acquisition Regulation (FAR), Department of Energy Acquisition Regulation (DEAR), Federal Travel Regulation (FTR), and the IRS auto allowance 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.

B. The Contractor may deviate from this Appendix in specific instances where it is determined and approved by the Contracting Officer to be economically

advantageous to DOE/NNSA and to the extent such deviations conform to regulations and law.

C. Relocation expenses, Short Term Assignments (30 days up to one year) and Long Term Assignments (1 year up to 3 years) are applicable to Exempt Employees and shall be incurred in accordance with the provisions, limitations and exclusions of FAR, DEAR and FTR. In consideration of special business requirements, the Contractor's Chief Human Resources Officer, may authorize the temporary assignment or relocation of nonexempt Employees. Under these circumstances, the same provisions apply for nonexempt Employees.

D. The Contractor may use the provisions set forth in NAP 540.2, NNSA Off-Site Extended Duty Assignments, on long-term assignments for new hires/transfers at each site in lieu of a relocation package. Allowances provided shall not exceed the cost of a relocation package unless an exception is requested in accordance with NAP 540.2. The documentation provided shall be consistent with contractor domestic extended personnel assignments described in NAP 540.2.

## 10.0 RECRUITING

A. The costs of recruitment of personnel including cooperative education programs, summer internship programs, nominal costs for promotional items/gifts 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, career fairs, and operation of recruiting stations are allowable.

B. Applicants who are requested by the Contractor to report for a pre-employment interview shall be allowed transportation expenses. Reasonable actual costs of lodging not to exceed per diem and meals and incidental expenses (M&IE) shall be allowed.

C. Reasonable actual costs of housing for personnel in summer internship and/or co-op programs will be allowed up to $70 per week per intern in accordance with the Contractors Student Programs Policy. Two meals shall also be provided through the internship program (1) welcome and introduction to mentors meal and (2) end of assignment appreciation with mentor's meal. Both meals are catered on site and the costs will be reasonable in nature.

## 11.0 SPECIAL EMPLOYEE ACTIVITIES

A. Educational and Community Outreach

The Contractor may authorize Employees to participate in educational and community outreach. 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 and officially appointed officials that take place during an Employee's regularly

scheduled work day. Hours associated with educational and community outreach outside of the Employee's normal work schedule shall not be compensated by the Contractor. The total amount of time associated with educational and community outreach activities shall not exceed 3,000 hours per year in the aggregate for both Pantex and Y-12. The Contractor shall submit a report annually, no later than November 1, to the Contracting Officer on the types of usage and number of hours

authorized. Some examples of permissible educational and community outreach include, but are not limited to:

- Promotion of Science, Technology, Engineering, and Mathematics in the educational setting (elementary school through higher education institutions)
- Tutoring in local community schools sanctioned by the Contractor
- Science Bowl and Science Fairs

B. Personnel Support Activities and Employee Publications

1. Cost of activities incidental to promotion of morale, welfare, health and safety such as employee publications, health and first aid clinics, and net cost of in-plant food services, Employees' time to promote Employee participation in blood drives, United Way Campaigns, and other activities sanctioned by the Contractor.

2. The Contractor may furnish certain services for an employee-sponsored credit union. The Contractor is authorized to provide office space, utilities, janitorial services, office furniture and equipment, if reasonably available. Employees, as officers and committee members of the employee-sponsored credit union, may be allowed a reasonable amount of on-the-job time to conduct credit union business.

C. Personnel Temporarily Assigned to Contractor Work

1. The cost associated with the Corporation's employees not employed under the Contract, borrowed for incidental work under this Contract, is reimbursable subject to the terms and conditions of the Contract. Reimbursement for the time such employees work under this Contract will be allowable in accordance with the employee's regular work location's government-approved operating disclosed costing practices. Time worked under this Contract for such borrowed employees will include the time spent by the employee's in route to and returning from the worksite on the first and last day of such work. Travel costs of such borrowed personnel will be allowed in accordance with Section 9.0 of this Appendix. Upon request of the Contracting Officer, a report of corporate assignments to the Contractor's work sites will be provided.

2. Personnel Temporarily Assigned From Contractor Work

   The Contractor may loan, at no cost to the current contractor, individuals working under this Contract to other Corporation operations, as long as it does not interfere with performance of Contract work. Each loan arrangement will be reviewed to assure no conflict of interest and will be approved by the Contractor's cognizant Contracts Director or his/her designee. A cumulative report showing all employees loaned, along with the total days loaned, and services provided, will be submitted to NNSA annually no later than November 1.

# APPENDIX J.

# KEY PERSONNEL

**CLIN 0001**

| | |
|---|---|
| Richard Tighe | President / Chief Executive Officer |
| Christopher Harkins | Chief Operating Officer |
| Dave Beck | Program Integration Manager |
| Anthony Boser | Mission Engineering Manager |
| Eugene P. (Gene) Sievers | Y-12 Site Manager |
| Colby Yeary | Pantex Site Manager |
| Blake Scott | Mission Assurance Manager |
| C. David Turner | Operations Support Manager |
| Nicolina (Nikki) F. Grover | Business Management and Transformation Manager |
| D. Scott Hernandez | Chief Financial Officer |
| Diane Grooms | Human Resources Manager |
| Jeff Yarborough | Site Separation Manager |

**CLIN 0002**

| | |
|---|---|
| John H. Platt | Project Director |

# SECTION J

# APPENDIX K

# SMALL BUSINESS SUBCONTRACTING PLAN

(Added: 0045-FY15 Goals; 0052-FY16 Goals; 0081-FY17 Goals; 0157-FY19 Goals; 0191-FY20 Goals; 0276-FY21, FY22, FY23 Goals; 0303-FY24 Goals)

CNS | consolidated nuclear security, llc
PANTEX PLANT | Y-12 NATIONAL SECURITY COMPLEX

301 Bear Creek Rd.
P.O. Box 2009
Oak Ridge, TN 37831-6501

**Office:** 865.574.4987
**Fax:** 865.241.2150

September 6, 2023

Mr. Aaron Fehl
Contracting Officer
NNSA Production Office
PO Box 2009
Oak Ridge, TN 37831-6501

Dear Mr. Fehl:

**Contract DE-NA0001942, Fiscal Year 2024 Small Business Subcontracting Goals**

Following are the Consolidated Nuclear Security, LLC (CNS) proposed Fiscal Year (FY) 2024 Small Business Goals addressing each of the small business categories:

| | CNS FY 2024 Goals |
|---|---|
| Small Business | 55.0% |
| Small Disadvantaged Business | 14.0% |
| Small Woman-Owned Business | 7.0% |
| Small HUBZone Business | 5.0% |
| Veteran-Owned Small Business | 6.0% |
| Service-Disabled Veteran-Owned Small Business | 3.0% |

In determination of the above goals, the following procurement base information, in conjunction with current and previous fiscal year performance, was utilized:

FY 2024 Projected Procurement Base: $819,499,986

The projected procurement base estimate above represents total commitments comprised of both direct and indirect costs associated with planned procurements for the Y-12 National Security Complex (Y-12), the Pantex Plant (Pantex), and the Uranium Processing Facility Project (UPF). In order to establish goal percentages, CNS used a small business percentage based on historical average increases/decreases for small and large business dollars using data from 2014 forward to establish a trend to determine a reasonable goal.

The Total FY24 Projected Procurement Base is comprised of the following:

- Y-12/Pantex $753,499,986
- Uranium Processing Facility (UPF) $ 66,000,000

Existing large business spend reports and forecast commitments were reviewed for possible convertible requirements as part of this process to ensure that small business opportunities are always considered. Large business risks that are taken into consideration are as follows: Lithium Processing Facility (LPF), High Explosives Science & Engineering Facility (HESE), Uranium Processing Facility (UPF) change orders for delivered or procured equipment, depleted uranium management disposal/shipments, credit card purchases (counted as large), awards to universities, benefits, architect/engineer needs, and awards to large firms that maintain a "possessing facility" status.

The proposed percentages above and included in the attached worksheet are contingent on funding and scope assumptions currently directed by the National Nuclear Security Administration, in the event significant modifications to these assumptions are experienced, CNS reserves the right to revisit these goals and adjust accordingly.

The estimate was established in accordance with Federal Acquisition Regulation clauses 52.219-8 and 52.219-9 to provide "maximum practicable opportunities" for small businesses to compete for and participate in performing subcontracts with Y-12, Pantex, and UPF.

Additionally, we stand committed to a 7.0% goal for Woman Owned Small Business for FY24. The rationale supporting our commitment is based on the following: 1) 7.0% is a realistic goal in consideration of recent years performance and anticipation of FY24 projects that will, by the nature of the work and the geographical locations of our two sites, be awarded to other than small business; 2) The Small Business and Small Disadvantaged Business goals were increased from FY23 goal levels, noting a commitment to increasing contract awards in areas where we feel we have the greatest potential for a positive impact.

CNS will continue to look for opportunities to offset any large business spend that may be convertible to small in order to maintain small business utilization growth until the successful completion of the UPF Project forecast in 2025.

If you have any questions or concerns, please contact me at 865-574-4987 or Scott Clemons, Director, Enterprise Business Management at 865-241-4907.

Sincerely yours,

Barry S. Hyden [redacted]

Barry S. Hyden
Director, Procurement Operations

SEC:jg

c/att: Scott E. Clemons
Rick D. Hillert
Gary G. Lyttek, NNSA
Claude E. Rogers

**Concurrence:**

By: Aaron (FSA) Fehl Digitally signed by Aaron (FSA) Fehl Date: 2023.09.11 08:08:25 -04'00' Date: _____
Contracting Officer

# SECTION J

# APPENDIX L

# DIVERSITY PLAN GUIDANCE

In accordance with the Contract's Section I Clause entitled "DEAR 970.5226-1, Diversity Plan," this Appendix provides guidance to assist the Contractor in understanding the information being sought by the Department of Energy, National Nuclear Security Administration (DOE/NNSA) for each of the Clause's Diversity elements. The contractor must address the elements below in their Diversity Plan:

## Work Force

The Contractor shall have policies or plans to implement Equal Opportunity and Affirmative Action.

## Educational Outreach

The Contractor shall have policies or plans that provide Contractor employees an opportunity to improve their employment skills and opportunities and support Historically Black Colleges and Universities, Hispanic Serving Institutions, and Native American Institutions.

## Community Involvement and Outreach

The Contractor shall have policies or plans that support Community Involvement and Outreach for equal opportunity activities.

## Subcontracting

The Contract contains the Section I Clause entitled "FAR 52.219-9, Small Business Subcontracting Plan, Alternate II" and other small business related clauses.

## Economic Development (Including Technology Transfer)

The Contractor shall have policies or plans that relate to small business concerns for the purpose of assisting the economic development of , or transferring technology to such a business.

## Prevention Of Profiling Based On Race Or National Origin

The Contractor shall have policies or plans that address the following : (1) avoid profiling based on race or national origin; (2) provide informational or educational programs that ensure managers and employees understand these issues; (3) provide employees with avenues for raising issues or concerns about profiling; (4) use education, training, and community outreach to partner with its work force and with established advocacy groups to recruit, retain, and promote a diverse work force and to review administrative processes that may impact achievement of a

truly diverse work force and work place; and (5) will hold management and leadership responsible and accountable for performance under the diversity plan.

# SECTION J

# APPENDIX M

# INSTITUTIONAL COST REPORTING

Overview - The Office of Finance and Accounting implemented a new institutional cost reporting process in FY 12 that was piloted in FY 11 to replace the Functional Cost reporting process. The pilot effort was undertaken to improve the transparency of contractor institutional and functional costs. The DOE Office of Finance and Accounting requires Contractors to comply with this institutional cost reporting process.

Purpose – The purpose of the DOE/NNSA Institutional Cost Report is to provide transparency of DOE/NNSA Laboratory and Plant M&O costs. The reporting approach was designed with the following guiding principles in mind: (1) balance DOE/NNSA's requirements for cost information against what the contractor can efficiently provide; (2) use the contractor's existing accounting and cost classification system to extent possible; and, (3) align with standard government cost classification definitions.

General Guidelines – On a quarterly basis, the Contractor will provide the following information in support of this effort:

(1) Breakdown of original cost transaction by category
(2) Breakdown of overhead cost by functional category
(3) Labor-based allocations
(4) Overhead-based allocations

Definitions provide for reconciling original costs to STARS cost data. NNSA requires information annually for functional cost charged directly to programs, in addition to those functional costs that are a component of overhead allocations. The contractor shall submit data for labor and overhead based allocations at the level identified in the Funding Program by Subprogram tables in the President's Budget Request.

The Contractor shall use Excel templates provided and submit the files to the NNSA Field Chief Financial Officer (CFO) and through iPortal. The Contractor shall also provide necessary information to allow DOE/NNSA to have institutional cost reporting.
The definitions are provided below.

***Original cost category definitions:***

***Salaries*** - compensation paid by employer for employee's services, including: base salary, overtime, performance bonus, executive and incentive compensation. Cost for paid absences is part of base salary and is not treated as part of fringe for purposes of this reporting.

***Fringe Benefits*** – Amounts paid by an employer (net of employee contributions) to provide employees with benefit coverage such as medical and dental insurance, retirement plans including savings plans, legally mandated employment related payment (e.g. social security, unemployment, workers comp, etc.), disability plans and other costs normally included in a fringe pool. Fringe cost is to be broken out by the following subcategories:

- Defined Benefit Pension Plan - Employer cost associated with a retirement plan where the employer makes contributions to a general fund and employee benefits are guaranteed based on a formula using factors such as earnings history and tenure of service[1].
- Defined Contribution Plan - Employer cost associated with retirement plan contributions paid into individual employee accounts. The funding is often in form of a specific percentage of employee contributions to the same account.
- Active Medical - employer cost related to providing medical, dental, vision and the like to its active employees.
- Legally Mandated - Medicare, social security, unemployment, workers comp and like payments required by federal, state or local government to be paid by the employer (include only employer share of the payment)
- Retiree Medical - Employer cost of plans similar to active medical but provided to retirees[2].
- Other Benefits - any other benefit provide to employees with cost covered by the employer (life insurance, disability, tuition refund, etc.)

***Travel*** - Cost associated with business travel, including: airfare, lodging, meals, transportation / car rental, registration, and other travel related cost included on an employee expense report.

***Procurements*** - Cost of purchasing goods or basic services. Break out cost by the following subcategories:

- Electricity
- Other Utilities (payments made to a utility provider for sewer, water, etc. Excludes phone, which is be reported under Other Procurements)
- Facility Leases
- Other Procurements (includes purchases and leases of equipment, etc)

***Subcontracts*** - Cost incurred under a contract placed primarily to furnish professional services.

***Management / Award / Incentive Fee*** - The base and/or incentive fee that is paid to a contractor and charged as cost to the contract. Such fees are often in whole or in part based on performance under the contract and to include shared savings incentive payments (tied to achieving cost reductions).

***Taxes*** - Includes State and municipal taxes, as well as "payments in lieu of taxes." Does NOT include taxes that are payroll related (e.g. included in the “Fringe” category).

[1] This amount should agree with amount reported in STARS for SGL 68000200, Employer Contributions to Contractor Defined Benefit Pension Plans.
[2] This amount should agree with amount reported in STARS for SGL 68000300, Employer Contributions to Contractor Post Retirement Defined Benefit Plans Other than Pensions.

***Other*** - Cost of operating an institution not identified in another Cost Element category. Provide details of cost reported in this category if amount is greater than 5% of the Total Original Cost.

**Original cost element reporting format and reconciliation to STARS:**

Contractors should use the format provided (Exhibit 1) to report original cost transactions and provide a reconciliation to total STARS cost. Provide fiscal year projections based on information generated during your planning process or, if no formal planning based budget exists, use an analysis of prior year trends to establish a projection. Projections may be updated quarterly if better information becomes available.

For reconciliation purposes, the STARS cost amount includes the following SGL balances:

61000000 – Operating Expenses/Program Costs
61009900 – Integrated Contractor Cost Overruns and Undistributed Costs
63300000 – Other Interest Expenses
80100100 – Cost of Work Performed Between DOE Entities
88020100 – Purchases of Capitalized PP&E
88030300 – Purchases of Funded Inventory

Reconciling items are to be categorized as follows:

***Variance*** – Variances associated with the application and recovery of indirect rates vs. actual cost incurred.

***Suspense / Undistributed*** - Undistributed cost relates to the suspense of accounting transactions when it is not practical to identify the ultimate account, or the ultimate account is known but it is not possible to resolve costing issues prior to financial processing deadlines. This balance must be zero at year-end.

***Other*** – Use this line to identify other reconciling items that do not fit in the above categories.

**(1) Overhead Cost by Category:**

Overhead cost is identified as cost allocated through a cost pool, usually recovered via the application of a rate (e.g. dollar per unit, percentage of cost). An overhead cost can be an allocation to either a final cost objective or an intermediate cost objective (recycled through other cost pools). Examples include: general & administrative, organizational burden, site services, allocation of space cost, etc.

Service Centers (e.g. a cost pool that is allocated using a rate based on type of service) can be allocated to either a direct cost objective or to another cost pool. Service center cost is reported to the extent it is allocated to an overhead pool (in the reporting category of the area receiving the service center charge).

There are two exceptions to this guideline: (1) service center cost that is a key element of operating the institution (e.g. utilities, space cost, etc.) regardless of materiality, and (2) service centers that allocate a major portion of their cost to overhead pools and the amount charged to overhead that represents more than 5% of total indirect cost. In these two cases the service center cost should be treated entirely as an overhead cost for the purposes of this reporting.

Total overhead cost to be reported should be based on the total of all allocations to final cost objectives that are from an overhead cost pool. Recycled overhead (e.g., overhead cost allocated to another overhead pool) will be washed out in the Organizational Management/ Other category. Overhead cost plus direct cost should be reconciled to total cost reported in STARS.

***Overhead cost category definitions:***

Report cost defined as overhead (per the general guidelines) in the following cost categories based on how it was classified when charged to the overhead pool.

***Executive Direction*** - Includes costs normally associated with the highest level executive management (unless more appropriately associated with management of the other reporting categories). Examples of activities in this account are the Laboratory Director, President and other top level management and immediate staff (Secretary, Special Assistants, etc.), Science Advisors and Deputy Directors, Vice Presidents, etc. This category also includes institutional level strategic planning and the cost of contractor performance assurance. All other management/supervisor activities, including related incidental costs, should be reported in the most appropriate cost category other than Executive Direction.

***Human Resources*** - Includes costs associated with recruiting, salary administration, equal employment opportunity and diversity programs, benefits administration, employee concerns programs, central training development (job specific training development curriculum should be included in the specific category to which it applies), industrial relations, personnel records, employee concerns programs/hotline, educational programs, providing for undergraduate and graduate course work and other personnel related services.

***Chief Financial Officer*** - Includes costs associated with activities of a financial nature, such as general accounting, payroll, travel accounting, funds control, WFO administration, cost accounting, accounts payable, internal control programs (including A-123), financial systems management and non-project / program specific budget coordination and control, indirect rate planning/budgeting, and similar financial related activities.

***Internal Audit*** **-** Cost of the Internal Audit function, including production / execution of annual audit plan and tracking of correction actions until closed.

***Procurement / Acquisitions*** - Includes costs associated with contracting for goods and services, purchasing, P-Card program, electronic buying (B2B), contract administration, procurement program management and conducting compliance and cost/price analysis activities.

***Legal*** - Includes costs associated with legal counsel support and litigation support. Includes outside legal support and ethics functions. Legal settlements should be classified as Other.

***Central Administrative Support*** – Includes costs associated with food service, printing and graphic support, records management, mail service including postage, subcontracted delivery services, and all library-related activities.

***Program / Project Planning & Control*** – Includes cost associated with support and execution of program / project budgeting, funding requests, baseline control and preparation, master scheduling, project management system administration, and baseline pricing and validation efforts.

***Technology Transfer*** – Includes all cost associated with activities that encourage the further development of promising technologies, dissemination of information to appropriate researchers, organizations, industries, governmental bodies and other institutions; and other activities that assist in affecting the introduction of technologies in the marketplace.

***Outreach Activities*** - Cost associated with media communication, public relations, educational programs, employee outreach program, stakeholder-related outreach, activities contributing to the development of the local/regional economy, and other information or outreach activities such as HBCU (Historically Black Colleges and Universities) and other University-related activities, including stakeholder agencies and Congressional liaison activities.

***Business Development / Client Liaison*** – Cost of activities associated with familiarizing current or possible clients with capabilities offered and/or opportunities to fund work, assessment and planning for potential new business areas, client relationship management and liaison with clients.

***Information Management*** - Cost associated with office automation (desktop software, video conferencing, collaboration, email, access management), network services (groups of computers that communicate with each other, share peripherals and access remote hosts or other networks), telecommunications (communication by electronic submission of impulses over telephone/optic lines including cell phones and voice over internet protocol), application and data hosting (providing central computer facilities, data backup and restore, data processing, and network file and printer services), and general business information system technology not specific to a single system. This category includes systems analysts/programmers; however, specific systems management and administrative costs for various business and scientific systems should be included in their respective cost categories. (Note: Dedicated scientific activities, experiments, analysis, etc., should be included in the appropriate category.)

***Environmental*** – Includes costs associated with the development, implementation and maintenance of Laboratory systems for the compliant management of radioactive and hazardous waste; safe packaging and transportation of hazardous materials (non-waste); effluent controls and monitoring and surveillance; permitting; auditing and evaluation to assure compliance and pollution prevention. These activities, performed on a routine basis, are necessary to maintain compliance with Federal, State and local regulations, as well as applicable DOE Orders and directives. This category does not include third party treatment or disposal costs which are charged direct to a project; it also does not include cleanup activities.

***Safety & Health*** - Costs associated with safety and health programs, such as integrated safety management, emergency preparedness, fire protection, industrial hygiene, industrial safety, occupational medical services, nuclear safety, work smart programs, radiation protection, transportation safety (does not include traffic management functions - include this item in logistics) and related management oversight. These activities, performed on a routine basis, are necessary to maintain compliance with Federal, State, and local regulations, as well as applicable DOE Orders and directives.

***Facilities Management & Operations*** - Cost associated with providing facilities and equipment including facility related services required in performance of the contract. Facilities management activities add to existing property, plant and equipment or extend the life of existing property, plant and equipment. This is distinct from maintenance activities which are reported in separate categories. Maintenance activities sustain existing property, plant and equipment in a usable condition and do not result in increasing capabilities of existing property, plant or equipment. Examples of activities in this category are: facilities remodeling, facilities utilization analysis, modification and upgrade analysis, facilities planning and condition determinations, and lease and rental of real property. Rents and leases of other than real property are included in the appropriate category. Facilities Management includes engineering activities such as HVAC systems, electrical mechanical activities, and repair and maintenance analysis if they extend the current useful life or result in improvements beyond existing capabilities. Major functions also included in this category are the cost of janitorial services, pest control and other services to keep these facilities usable.

***Maintenance - Facilities*** - includes costs to perform activities that sustain or continue existing functionality of real property. These are *not* activities that increase functionality or extend useful life. Costs that increase functionality or that extends useful life are treated in accordance with the capital assets accounting requirements. Maintenance functions include supervision, planning and scheduling, and storage and staging of materials and supplies required for maintenance activities. All phases of maintenance are included: preventive, predictive and corrective maintenance.

***Maintenance - General*** - includes costs to perform activities that sustain or continue existing functionality of all other property and equipment not included in facilities maintenance. These are not activities that increase functionality or extend useful life. Costs that increase functionality or that extend useful life are treated in accordance with the capital assets accounting requirements. Examples of functions included in this category are: maintenance on production and process equipment/machines; maintenance of roads and grounds; maintenance of utilities; calibration, care, repair and storage of equipment used in monitoring, or the actual performance of, maintenance work; and planning and scheduling, and storage and staging of materials and supplies required for maintenance activities.

***Utilities*** - Costs include utility-related engineering, operating utility (heat, electrical,, water,etc.) plants and equipment, contract services for fuel, water treatment chemicals, or support needed to provide electric power, heat, steam, chilled water, potable water, process gases and sanitary waste disposal to support business and research. This element includes all costs associated with contract services in support of utilities, such as fuel, water treatment chemicals and control systems (also include energy management related activities).

***Safeguards & Security*** – Includes all overhead funded costs of a central program associated with the development and implementation of a Safeguards and Security Program to protect nuclear materials, nuclear weapons, classified information and government property from theft, sabotage, espionage, or other acts that may cause adverse impacts on national security or to the safety of the public and employees. Excludes requirements which are funded by the S&S direct program and overhead cost that is embedded in other functional categories such as organizational management. Also excludes the allocable share of direct funded site S&S expenses funded from the tax applied to WFO and reported in the ***WFO Funded Safeguards and Security*** category. Cost *excludes* Cyber Security which is reported separately. Note that this category will be eliminated in FY12 when all S&S cost must be charged direct.

***WFO Funded Safeguards and Security*** - Includes the allocable share of direct funded site S&S expenses recovered through taxes applied to WFO orders in accordance with FY 2012 budget guidance. This does not include any marginal S&S costs incurred to support the projects of individual WFO customers - these are reported as a direct WFO cost.

***Cyber Security*** – Cost charged to overhead for core Cyber related program activities, including: operation of unclassified networks, establishing and maintaining institutional level controls to prevent unauthorized access; purchasing and maintaining institution wide software for protection against malware, viruses and the like; and routine monitoring of network traffic to identify and isolate threats including cyber analytics. Additionally, based on the manner that the system or process is being charged, costs could include implementing corrective actions, activities conducted by line personnel, and operation of unclassified networks. Excludes overhead cost that is embedded in other functional categories such as organizational management.

***Logistics Support*** - Costs associated with shipping, receiving, transportation (excluding maintenance which is included in the Maintenance category), warehousing, motor pools, office equipment pools, property management and excessing activities; routine inventory write-offs and other logistic support activities.

***Quality Assurance*** - Costs associated with all quality assurance, reliability and regulatory activities associated with nuclear, construction, research, management, and software functions. Included in this category are costs associated with PAAA/DRCP compliance, quality engineering and inspection services, quality assurance audits, occurrence reporting (such as the Occurrence Reporting and Processing System), development of quality program plans, operational readiness review coordination and other activities related to ensuring the quality assurance of site operations and facilities. This does not include costs incurred for weapons stockpile certification.

***Management / Award / Incentive Fee*** – The based and/or incentive fee that is paid to a contractor and charged as cost to the contract. Such fees are often in whole or in part based on performance under the contract and to include shared savings incentive payments (tied to achieving cost reductions).

***Taxes*** - Includes State and municipal taxes, as well as "payments in lieu of taxes." Does NOT include taxes that are payroll related.

***LDRD*** - LDRD portion reflects costs incurred in accordance with DOE Order 413.2A for the purpose of pursuing new and innovative scientific concepts of benefit to the DOE. Excludes allocation of overhead other than organizational burdens. This would include PDRD and SDRD reflecting costs incurred in accordance with the legislative authority for these activities.

***IGPP / IGPE*** - Institutional General Plant Projects (IGPP) / Institutional General Purpose Equipment (IGPE):
IGPP projects are overhead funded minor new construction projects of a general nature, the total cost of which may not exceed the congressionally established line item limit. This category should include all capital construction that is not direct funded. Institutional General Purpose Equipment (IGPE) is overhead funded capital equipment that is required for Laboratory wide needs. IGPE is administrative in nature, i.e. not research equipment, of a general use or institutional nature that benefits multiple cost objectives. Each contractor should report cost following their DOE approved policies for IGPP/IGPE.

***Organizational Management / Other*** – Report all other overhead cost which is *not* identified in another cost category. This includes general organizational management activities (e.g., organizational burden pools). The amount reported in this category washes out recycled overhead (e.g., overhead cost allocated to another overhead pool). Generally the amount reported in this category will be determined by total overhead cost (based on all allocations to final cost objectives that are from an overhead cost pools) less the amounts reported in all other cost categories. The resultant amount should be evaluated for reasonableness by comparing the calculated amount to organizational burden allocated to final cost objectives plus other miscellaneous overhead cost minus recycled overhead (overhead allocated to other overhead pools). Provide details of cost reported in this category if amount is greater than 25% of the Total Overhead Cost.

**Overhead cost reporting format and reconciliation to STARS:**

Format (Exhibit 2) should be used to report overhead cost by functional category and provide a reconciliation to total STARS cost. Provide fiscal year projections based on information generated during your planning process or, if no formal planning based budget exists, use an analysis of prior year trends to establish a projection. Projections may be updated quarterly if better information becomes available.

Reconciling items are to be categorized as follows:

***Direct Cost*** – Cost charged direct to project (final cost objective), such as Direct Material, Direct, Labor, and Other Direct Cost, and is not the result of the application of an indirect rate. This cost will be net of any lab level service activity reported in total as overheads.

***Variance Suspense / Undistributed*** – Variances associated with the application and recovery of indirect rates vs. actual cost incurred. Undistributed cost relates to the suspense of accounting transactions when it is not practical to identify the ultimate account, or the ultimate account is known but it is not possible to resolve costing issues prior to financial processing deadlines. This account must be zero at year-end.

***Other*** – Use this line to identify other reconciling items that do not fit in the above categories.

**(3) Distribution Tables: Labor and Overhead Allocations**

To allow DOE the ability to allocate cost by high level program, either in total or by category, contractors will provide two allocations tables (reference Exhibits 3 & 4) reflecting the percentage of total cost to final cost objective summarized by DOE Fin Plan (at the two digit BNR level), DHS, Other DOE, and all other WFO.

(1) Labor – percentage of total direct labor charged to final cost objectives summarized by DOE, DHS, Other DOE, and WFO. DOE Fin Plan should be reported at the two digit BNR level. Allocations should reflect all amounts categorized as labor (to include salaries and benefits), whether it is based on actual salary rates or average labor rates. Note: This approach ignores labor charged to overhead and service center pools as it cannot easily be tracked back to final cost objectives. This data will be used to allocate benefit costs (e.g., fringe), in total and/or by element. If labor cost is not an accurate representation of how benefit cost is allocated then please use fringe only data or other more accurate representation if it is available

(2) Overheads – percentage of total overhead cost from all pools defined as overhead as allocated to final cost objectives summarized by DOE Fin Plan (at two digit BNR level), DHS, Other DOE, and WFO. Refer to definition of overhead cost provided Overhead Cost by Category section. Do NOT include service centers in the allocation base for the purpose of allocations. This data will be used to allocate overhead costs, in total and/or by element. If this is not an accurate representation of how overhead cost is allocated then use a more accurate representation if it is available.

# SECTION J

# APPENDIX N

# October 2023

# LIST OF APPLICABLE DIRECTIVES

***[MODs 0015, 0034, 0045, 0094, 0101, 0111, 0117, 0140, 0151, 0166, 0171, 0178, 0189, 0209, 0210, 0221, 0229, 0241, 0262, 0273, 0285, and 0303]***

In addition to the list of applicable directives referenced below, the contractor shall also comply with supplementary directives (e.g., manuals), which are invoked by a Contractor Requirements Document (CRD) attached to a directive referenced below.

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| AL 56XB | Development and Production Manual | | |
| ASME NQA-1 2008, 2009 Addenda, 1b 2011 | Quality Assurance Requirements for Nuclear Facility Application | | |
| Baseline Security Procedure for NNSA SAP (Applies to Y-12 Only) | Baseline Security Procedure for NNSA SAP | | |
| CJCSI 3260.01F | Joint Policy Governing Positive Control Material and Coded Control Devises | 0221 | Effective 1/12/21 |
| DOE-DTRA TP 50-2 | Procedures for the Use and Control of Logistics Material for Permissive Action Link (PAL) Equipped Weapons (U) | 0178 | Effective 6/27/19<br>Document version dated 9/27/18 |
| DoD TB 700-2 | DoD Ammunition and Explosives Hazard Classification Procedures | 0015 | Effective 7/2/14* |
| DOE O 140.1A | Interface with the Defense Nuclear Facilities Safety Board (DNFSB) | 0210 | Effective 8/15/20 |
| DOE O 142.2A Admin Chg 1 | Voluntary Offer Safeguards Agreement and Additional Protocol with the IAEA | 0015 | Effective 7/2/14* |
| DOE M 142.2-1 Admin Chg 1 | Manual for Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency | 0015 | Effective 7/2/14* |
| DOE O 142.3B, Chg 1 | Unclassified Foreign National Access Program | 0273 | Effective 10/12/22 |
| DOE O 150.1B | Continuity Programs | 0262 | Effective 5/3/22<br>Contingent upon approved Implementation Plan |
| DOE O 151.1D Chg 1 | Comprehensive Emergency Management System | 0189 | Effective 11/13/19 |
| DOE O 153.1A | Departmental Nuclear Emergency Support Team Capabilities | 0285 | Effective 3/28/23 |
| DOE O 200.1A Chg 1 | Information Technology Management | 0111 | Effective 4/24/17 |
| DOE O 205.1C, Chg 1 | Department of Energy Cyber Security Program | 0273 | Effective 8/11/22 |

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| DOE O 206.1 Chg 1 | DOE Privacy Program | 0166 | Effective 1/3/19<br>Supplemental Guidance on Response and Notification Procedures for Data Breaches Involving Personally Identifiable Information dated 10/16/17<br>Effective 8/30/18 |
| DOE O 206.2, Chg 1 | Identity, Credential, and Access Management (ICAM) | 0273 | Effective 11/5/22 |
| DOE O 210.2A | DOE Corporate Operating Experience Program | | |
| DOE O 221.1B | Reporting Fraud, Waste and Abuse to Office of Inspector General | 0094 | Effective 1/12/17 |
| DOE O 221.2A | Cooperation with the Office of Inspector General | | |
| DOE O 225.1B | Accident Investigations | | |
| DOE O 226.1B Chg 1 | Implementation of Department of Energy Oversight Policy | 0285 | Effective 2/22/23 |
| DOE O 227.1A Chg 1 | Independent Oversight Program | 0273 | Effective 10/8/22 |
| DOE O 231.1B Admin Chg 1 | Environment, Safety and Health Reporting | 0015 | Effective 7/2/14* |
| DOE O 232.2A Chg 1 | Occurrence Reporting and Processing of Operations Information | 0189 | Effective 11/14/19 |
| DOE O 241.1B Admin Chg. 1 | Scientific and Technical Information Management | 0094 | Effective 5/24/16 |
| DOE O 243.1C | Records Management Program | 0262 | Effective 3/15/22<br>Contingent upon approved Implementation Plan |
| DOE O 252.1A Admin Chg 1 | Technical Standards Program | 0015 | Effective 7/2/14* |
| DOE O 341.1A | Federal Employee Health Services | | |
| DOE O 410.2 Admin Chg 1 | Management of Nuclear Materials | 0015 | Effective 7/2/14* |
| DOE O 411.2 | Scientific Integrity | 0101 | Effective 3/22/17 |
| DOE O 412.1A Admin Chg 1 | Work Authorization System | 0034 | Effective 1/13/15 |
| DOE O 413.3B Chg 7 | Program and Project Management for the Acquisition of Capital Assets | 0303 | Effective 9/23/23 |
| DOE O 414.1D Admin Chg 2 | Quality Assurance | 0210 | Effective 10/23/20 |
| DOE O 415.1 Chg 2 | Information Technology Project Management | 0111 | Effective 4/17/17 |
| DOE O 420.1C Chg 3 | Facility Safety | 0189 | Effective 12/19/19 |
| DOE O 420.2D | Safety of Accelerators | 0285 | Effective 4/5/23 |
| DOE G 420.1-1A | Nonreactor Nuclear Safety Design Guide for use with DOE O 420.1C Facility Safety | 0015 | Effective 7/2/14* |
| DOE O 422.1 Chg 4 | Conduct of Operations | 0262 | Effective 3/18/22 |
| DOE O 425.1D Chg 2 | Verification of Readiness to Start Up or Restart Nuclear Facilities | 0189 | Effective 11/26/19 |
| DOE O 426.2 Admin Chg 1 | Personnel Selection, Training, Qualification and Certification Requirements for DOE Nuclear Facilities | 0015 | Effective 7/2/14* |

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| DOE O 433.1B Admin Chg 1 | Maintenance Management Program for DOE Nuclear Facilities | 0015 | Effective 7/2/14* |
| DOE O 435.1 Chg 2 | Radioactive Waste Management | 0229 | Effective 2/26/21 |
| DOE M 435.1-1 Chg 3 | Radioactive Waste Management Manual | 0229 | Effective 3/11/21 |
| DOE N 435.1 | Contact-Handled and Remote-Handled Transuranic Waste Packaging | | |
| DOE O 436.1 | Departmental Sustainability | | |
| DOE O 437.1 | Bridge and Tunnel Management | 0229 | Effective 3/10/21<br>Applies to Y-12 Only |
| DOE O 440.2C Chg 3 | Aviation Management and Safety | 0285 | Effective 4/28/23 |
| DOE M 441.1-1 Admin Chg 1 | Nuclear Material Packaging Manual | 0094 | Effective 3/22/16 |
| DOE O 442.1B | Department of Energy Employee Concerns Program | 0171 | Effective 4/11/19 |
| DOE O 442.2 Chg 1 | Differing Professional Opinions for Technical Issues Involving Environmental, Safety, and Health Technical Concerns | 0094 | Effective 1/17/17 |
| DOE O 443.1C | Protection of Human Research Subjects | 0210 | Effective 9/6/20 |
| DOE O 452.1F | Nuclear Explosive and Weapon Surety Program | 0303 | Effective 7/5/23<br>Applies to Pantex Only |
| DOE O 452.2F | Nuclear Explosive Safety | 0241 | Effective 12/3/20 |
| DOE O 452.3 | Management of DOE Nuclear Weapons Complex | | |
| DOE O 452.4C | Security and Use Control of Nuclear Explosives and Nuclear Weapons | 0094 | Effective 4/7/16 |
| DOE O 452.7 Chg 1 | Protection of Use Control Vulnerabilities and Designs | 0210 | Effective 7/11/20 |
| DOE O 452.8 | Control of Nuclear Weapon Data | | |
| DOE O 457.1A | Nuclear Counterterrorism | 0015 | Effective 7/2/14* |
| DOE O 458.1 Admin Chg 4 | Radiation Protection of the Public and the Environment | 0210 | Effective 10/23/20 |
| DOE O 460.1D Chg 1 | Hazardous Materials Packaging and Transportation Safety | 0262 | Effective 7/16/22 |
| DOE O 460.2B | Departmental Materials Transportation Management | 0273 | Effective 9/19/22 |
| DOE O 461.1C Chg 1 | Packaging and Transportation for Offsite Shipment of Materials of National Security Interest | 0221 | Effective 12/9/20 |
| DOE O 461.2 | Onsite Packaging and Transfer of Materials of National Security Interest | | |
| DOE O 462.1 Admin Chg 1 | Import and Export of Category 1 and 2 Radioactive Sources and Aggregate Quantities | 0015 | Effective 7/2/14* |
| DOE O 470.3C Chg 1 | Design Basis Threat (DBT) | 0229 | Effective 12/23/20 |
| DOE O 470.4B Chg 3 | Safeguards and Security Program | 0241 | Effective 11/4/21 |
| DOE O 470.5 | Insider Threat Program | 0034 | Effective 1/6/15 |
| DOE O 470.6 Chg 1 | Technical Security Program | 0140 | Effective 5/15/18 |

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| DOE O 471.1B | Identification and Protection of Unclassified Controlled Nuclear Information | | |
| DOE O 471.5 | Special Access Programs | | |
| DOE O 471.6 Chg 4 | Information Security | 0303 | Effective 9/28/23 |
| DOE O 471.7 | Controlled Unclassified Information | 0262 | Effective TBD<br>Revised IA/IP resubmitted 3/16/23<br>Contingent upon approved Implementation Plan |
| DOE O 472.2A | Personnel Security | 0273 | Effective 11/21/22 |
| DOE O 473.1A | Physical Protection Program | 0262 | Effective 4/21/22<br>Contingent upon approved Implementation Plan<br>(corrected effective date error in mod 0273) |
| DOE O 473.2A | Protective Force Operations | 0262 | Effective 3/17/22 |
| DOE O 474.2 Admin Chg 4 | Nuclear Material Control and Accountability | 0094 | Effective 1/17/17 |
| DOE O 475.1 | Counterintelligence Program | | |
| DOE O 475.2B | Identifying Classified Information | 0045 | Effective 5/29/15 |
| DOE O 483.1B Chg 2 | DOE Cooperative Research and Development Agreements | 0189 | Effective 1/14/20 |
| DOE O 484.1 Chg 3 | Reimbursable Work for the Department of Homeland Security | 0303 | Effective 5/31/23 |
| DOE O 486.1A | Foreign Government Sponsored or Affiliated Activities | 0221 | Effective 9/29/20<br>Administrative change to Title |
| DOE O 520.1B Chg 1 | Financial Management and Chief Financial Officer Responsibilities | 0285 | Effective 1/11/23 |
| DOE O 522.1A | Pricing of Departmental Materials and Services | 0166 | Effective 10/26/18 |
| DOE O 550.1 Chg 1 | Official Travel | 0210 | Effective 1/14/20<br>Subject to the understandings set forth in letter dated 2/18/20 |
| DOE O 5639.8A | Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities | | |
| DOE-STD-1020-2016 | DOE Standard – Natural Phenomena Hazards Analysis and Design Criteria for DOE Facilities | 0117 | Effective 8/24/17 |
| DOE-STD-1027-2018 Chg Notice 1 | DOE Standard – Hazard Categorization of DOE Nuclear Facilities | 0171 | Effective 3/4/19 |
| DOE-STD-1066-2016 | DOE Standard – Fire Protection | 0117 | Effective 9/12/17 |
| DOE-STD-1070-1994 (Reaffirmed July 2014) | DOE Standard – Guidelines for Evaluation of Nuclear Facility Training Programs | 0034 | Effective 1/15/15 |
| DOE-STD-1073-2016 | DOE Standard – Configuration Management | 0117 | Effective 7/26/17 |
| DOE-STD-1090-2020 | DOE Standard – Hoisting and Rigging | 0210 | Effective 9/8/20 |

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| DOE-STD-1186-2004 | DOE Standard – Specific Administrative Controls | 0117 | Effective 8/31/17<br>Existing nuclear facilities that are subject to DOE-STD-3009-94 (Change Notice 3) may utilize DOE-STD-1186-2004 or DOE-STD-1186-2016 for revisions to or extension of applicability of existing SACs. |
| DOE-STD-1186-2016 | DOE Standard- Specific Administrative Controls | 0117 | Effective 8/31/17<br>Use DOE-STD-1186-2016 for the creation of new SACs on projects or upgrades initiated after 1/1/18. DOE-STD-1186-2016 must be utilized with all DSAs that invoke DOE-STD-3009-2014. |
| DOE-STD-1189-2016 | DOE Standard – Integration of Safety into the Design Process | 0117 | Effective 7/25/17 |
| DOE-STD-1195-2011 | DOE Standard –Design of Safety Significant Safety Instrumented Systems Used at DOE Nonreactor Nuclear Facilities | 0015 | Effective 7/2/14* |
| DOE-STD-1212-2019 | DOE Standard – Explosives Safety | 0210 | Effective 8/31/20 |
| DOE-STD-1225-2017 | DOE Standard – DOE Canine Performance Testing Protocol Standard (OUO) | 0140 | Effective 3/14/18 |
| DOE-STD-3007-2017 | DOE Standard –Preparing Criticality Safety Evaluations at Department of Energy Nonreactor Nuclear Facilities | 0140 | Effective 3/8/18 |
| DOE-STD-3009-94 | DOE Standard – Preparation Guide for U.S. Department of Energy Nonreactor Nuclear Facility Documented Safety Analysis | 0015 | Effective 7/2/14*<br>Effective 5/11/17 (Mod 0111) Applies to existing facilities except where DOE-STD-3009-2014 applies.<br>Effective 2/3/22 (Mod 0262) See subsequent CO direction from Teresa Robbins and Justin Higdon to Colby Yeary, dated 10/6/21 |
| DOE-STD-3009-2014 | DOE Standard – Preparation of Nonreactor Nuclear Facility Documented Safety Analysis | 0111 | Effective 5/11/17<br>Applies to new non-reactor nuclear facilities and major modifications to existing non-reactor nuclear facilities (initiated after the effective date) per DOE O 420.1C. |
| DOE-STD-3013-2018 | Stabilization, Packaging and Storage of Plutonium-Bearing Materials | 0171 | Effective 3/11/19 |
| DOE-NA-STD-3016-2023 | DOE Limited Standard – Hazard Analysis Reports for Nuclear Explosive Operations | 0303 | Effective 9/13/2023<br>Applies to Pantex Only |
| DOE-STD-3020-2015 | DOE Standard – Specification for HEPA Filters Used by DOE Contractors | 0101 | Effective 2/6/17 |
| DOE-STD-3024-2011 | DOE Standard – Content of System Design Descriptions | 0015 | Effective 7/2/14* |
| DOE-STD-3025-2007 | DOE Standard – Quality Assurance Inspection and Testing of HEPA Filters | 0015 | Effective 7/2/14* |

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| DOE Technical Manual DOE-SNL-TYPEBARG-REV3-CHNG0 | Tiedown Procedures for Type-A, Type-B, ARG, and Miscellaneous Containers Transported in Safeguards Transporter | 0140 | Effective 4/24/18 |
| EP-401075 Issue E | Electrical Testers for Nuclear Explosives | 0189 | Effective 1/22/20 |
| Executive Order (EO) 11514 as amended by EO 11991 | Protection and Enhancement of Environmental Quality | 0221 | Effective 7/2/14*<br>Added amended EO to Reference Document |
| Executive Order 11988 | Floodplain Management | 0015 | Effective 7/2/14* |
| Executive Order 11990 | Protection of Wetlands | 0015 | Effective 7/2/14* |
| Executive Order 12333 | U. S. Intelligence Activities | 0015 | Effective 7/2/14* |
| Executive Order 12898 | Environmental Justice | 0015 | Effective 7/2/14* |
| Executive Order 13186 | Responsibilities of Federal Agencies to Protect Migratory Birds | 0015 | Effective 7/2/14* |
| Executive Order 13513 | Federal Leadership on Reducing Text Messaging While Driving | 0015 | Effective 7/2/14* |
| Executive Order 13556 | Controlled Unclassified Information | | |
| Joint DOE/DoD Technical Publication 45-51B | Transportation of Nuclear Weapons Material | 0034 | Effective 5/28/15<br>(Reference Document Change) |
| NA-10 WQAPM | Weapon Quality Assurance Procedures Manual | 0034 | See NAP 401.1 comments (corrected reference in Mod 0241) |
| NFPA Codes and Standards | NFPA Codes and Standards | | |
| NHPA CRMP (April 2004) | Pantex Plant Cultural Resource Management Plan | 0094 | Effective 5/29/15 |
| NNSA Policy Letter: NAP 121.1A | Enterprise-Wide Strategic Planning | 0241 | Effective 6/9/21 |
| NNSA Policy Letter: NAP 401.1A Admin Chg 2 (formerly NAP-24A) | Weapon Quality Policy | 0262 | Effective 4/11/22 |
| NNSA Policy Letter: NAP 476.1 Admin Chg 1 (formerly NAP-23 Admin Chg 1) | Atomic Energy Act Control of Import and Export Activities | 0189 | Effective 5/26/15<br>Effective 1/22/20<br>(Converted to new directives numbering system in accordance with NNSA SD 251.1A, Directives Management) |
| NNSA Policy Letter: NAP 520.1 Admin Chg 1 (formerly NAP-25 Admin Chg 1) | Management and Operating Contractor Business Meals and Light Refreshments | 0189 | Effective 7/2/14*<br>Effective 1/22/20<br>(Converted to new directives numbering system in accordance with NNSA SD 251.1A, Directives Management) |
| NNSA Policy Letter: NAP 540.2 (formerly NAP-31) | NNSA M&O Off-Site Extended Duty Assignments | 0189 | Effective 1/18/17<br>DOE AL 2018-08<br>Effective 7/12/18<br>Effective 1/22/20<br>(Converted to new directives numbering system in accordance with NNSA SD 251.1A, Directives Management) |
| NNSA Policy Letter: NAP-220.1 | Internal Affairs Program | 0151 | Effective 7/26/18 |
| NNSA Policy Letter: NAP-412.1 | Financial Integration | 0171 | Effective 6/11/19 |

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| NNSA Policy Letter: NAP-413.1 (recertified) | Data Collection for Cost Estimating | 0273 | Effective 11/17/22 |
| NNSA Policy Letter: NAP 530.1 | Cost Allocation Optimization | 0303 | Effective 8/31/23 |
| NPO Procedure – NPO-SD 3.4.3 (Applies to Pantex Only) | Conducting Readiness Reviews of Hazardous Non-Nuclear Facilities and Activities | 0015 | Effective 7/2/14* |
| Quality Plan No. 100-1 Amendment 4 | Application of Quality Requirements to UK and US Procurement Contracts and Loan Authorizations for Research, Design & Development | 0221 | Revised name of Reference Document and Title |
| NNSA Supplemental Directive – NNSA SD 205.1 | Baseline Cybersecurity Program | 0178 | Effective 4/19/18<br>Applicable Binding Operational Directives (BOD)<br>ED 19-01 (Effective 8/19/19)<br>BOD 19-02 (Effective 8/19/19)<br>BOD 18-02 (Effective 8/19/19)<br>BOD 18-01 (Effective 8/19/19)<br>BOD 17-01 (Effective 8/19/19)<br>BOD 16-03 (Effective 8/19/19)<br>BOD 16-02 (Effective 8/19/19) |
| NNSA Supplemental Directive – NNSA SD 206.1 | Privacy Program | 0166 | Effective 1/16/19 |
| NNSA Supplemental Directive NNSA SD 206.2 | Implementation of Personal Identity Verification for Uncleared Contractors | 0151 | Effective 7/12/18 |
| NNSA Supplemental Directive – NNSA SD 226.1C | NNSA Site Governance | 0189 | Effective 12/11/19 |
| NNSA Supplemental Directive – NNSA SD 251.1B | Directives Management | 0221 | Effective 1/12/21 |
| NNSA Supplemental Directive – NA SD O 350.1 | Management and Operating Contractor Service Credit Recognition | 0015 | Effective 7/2/14* |
| NNSA Supplemental Directive – NNSA SD 415.1A | Project Oversight for Information Technology (PO-IT) | 0241 | Effective 7/8/21 |
| NNSA Supplemental Directive – NNSA SD 430.1 | Real Property Asset Management | 0101 | Effective 3/29/17 |
| NNSA Supplemental Directive – NNSA SD 452.2B | Nuclear Explosive Safety Evaluation Processes | 0262 | Effective 3/17/22 |
| NNSA Supplemental Directive - NNSA SD 452.3-1A | Defense Programs Business Process System (DPBPS) | 0094 | Effective 7/5/16<br>See Requirements Management System (RMS) on the Pantex Plant Intranet as needed |
| NNSA Supplemental Directive – NNSA SD 452.3-2 | Phase 6.X Process | 0111 | Effective 4/26/17 |
| NNSA Supplemental Directive – NNSA SD 452.4-1 | Nuclear Enterprise Assurance (NEA) | 0262 | Effective 5/26/22<br>Contingent upon approved Implementation Plan |

| Reference Document | Title | Mod | Effective Date (Contracting Officer Direction Date) and Relevant Notes |
|---|---|---|---|
| NNSA Supplemental Directive - NNSA SD 470.4-2 Admin Chg 1 | Enterprise Safeguards and Security Planning and Analysis Program | 0241 | Effective 8/12/21<br>Effective 5/28/20<br>NNSA Supplemental Directive (SD) 470.4-2 Implementation Instructions (II) dated April 22, 2020 |
| NNSA SD 470.6 Technical Security Program | Technical Security Program | 0273 | Effective 10/26/22<br>Contingent upon approved Implementation Plan |
| NNSA Supplemental Directive – NNSA SD 471.6 | Operations Security Program | 0241 | Effective 5/14/20 |
| NNSA Supplemental Directive – NNSA SD 473.3 | Enterprise Mission Essential Task List-based Protective Force Training Program | 0034 | Effective 3/31/15 |
| ORR PCB FFCA | Oak Ridge Reservation Polychlorinated Biphenyl Federal Facilities Compliance Agreement | | |
| PSLM | Primary Standards Lab Memo | | |
| Technical Business Practices (TBP) and Infrastructure Business Practices (IBPs) | Technical Business Practices (TBP) and Infrastructure Business Practices (IBPs) | 0094 | For additional implementing information on TBPs & IBPs See Requirements Management System on the Pantex Plant Intranet as needed |
| RM 257945 | AL-R8 Pit Matrix Requirements | 0015 | Effective 7/2/14* |

* Modification No. 0015 incorporated revised Appendix N, List of Applicable Directives, in accordance with Contracting Officer direction dated July 2, 2014, entitled "*Contract Number DE-NA0001942, Submittal of Revised Implementation Plan for Applicable Directives.*"

## LIST OF DELETED/CANCELLED DIRECTIVES

The table below reflects all requirements that have been deleted in modifications 0015, 0034, 0045, 0094, 0101, 0140, 0151, 0166, 0171, 0178, 0229, 0241, 0262, 0273, 0285, and 0303.

| Reference Document | Title | Mod | Notes |
|---|---|---|---|
| DOE O 130.1 | Budget Formulation | 0273 | Deleted effective 8/17/22 |
| DOE M 140.1-1B | Interface with the Defense Nuclear Facilities Safety Board | 0151 | Cancelled by DOE O 140.1 Effective 7/26/18 |
| DOE M 205.1-3 Admin Chg 1 | Telecommunications Security Manual | 0171 | Cancelled by DOE O 470.6 Deleted Effective 4/25/19 on approval of DOE O 470.6 Chg 1 Implementation Plan |
| DOE O 313.1 | Management and Funding of the Department's Overseas Presence | 0034 | Deleted Effective 4/16/15 |
| DOE O 325.2 Admin Chg 1 | Position Management and Classification | 0140 | Cancelled by DOE N 251.119 Deleted Effective 1/18/18 |
| DOE O 350.2B | Use of Management and Operating or Other Facility Management Contractor Employees for Services to DOE in the Washington, DC Area | 0094 | Cancelled by DOE N 251.115 (replaced by NAP 31 Effective 1/18/17) |
| DOE O 350.5 | COVID Safety Protocols for Federal Contractors | 0303 | Cancelled by DOE N 251.124 Deleted Effective 9/13/2023 |
| DOE O 413.1B | Internal Control Program | 0229 | Cancelled by DOE O 520.1B Deleted Effective 2/25/21 |
| DOE O 430.1B Admin Chg 2 | Real Property and Asset Management | 0094 | Deleted Effective 12/21/16 |
| DOE M 440.1-1A | DOE Explosive Safety Manual | 0015 | Deleted Effective 9/12/14 |
| DOE M 452.2-1A | Nuclear Explosive Safety Manual | 0045 | Cancelled by DOE Order 452.2E |
| DOE M 452.2-2 Chg 1 | Nuclear Explosive Safety Evaluation Processes | 0034 | Cancelled by DOE NNSA SD 452.2 |
| DOE M 457.1-1 | Control of Improvised Nuclear Device Information | 0015 | Deleted Effective 9/12/14 |
| DOE M 460.2-1A | Radioactive Material Transportation Practices Manual | 0303 | Cancelled by DOE O 460.2B Deleted Effective 9/19/22 |
| DOE P 470.1A | Safeguards and Security Program | 0015 | Deleted Effective 9/12/14 |
| DOE M 470.4-4A Chg 1 | Information Security Manual (Section D-Technical Surveillance countermeasures only) | 0171 | Cancelled by DOE O 470.6 Deleted Effective 4/25/19 on approval of DOE O 470.6 Chg 1 Implementation Plan |
| DOE M 471.2-4 | Technical Surveillance Countermeasures Manual (TSCM) (Classified Annex only) | 0015 | Cancelled by DOE M 470.4-4A Chg 1 |
| DOE O 471.3 Admin Chg 1 | Identifying and Protecting Official Use Only Information | 0262 | Cancelled by DOE 471.7 Deleted Effective 6/28/22 |
| DOE M 471.3-1 Admin Chg 1 | Manual for Identifying and Protecting Official Use Only Information | 0262 | Cancelled by DOE 471.7 Deleted Effective 6/28/22 |

| Reference Document | Title | Mod | Notes |
|---|---|---|---|
| DOE O 473.3A Chg 1 | Protection Program Operations | 0262 | Cancelled by DOE O 473.1A and DOE O 473.2A<br>Deleted Effective 3/17/22 |
| DOE M 483.1-1 | DOE Cooperative Research and Developments Agreements Manual | 0015 | Deleted Effective 9/12/14 |
| DOE M 481.1-1A Chg 1 | Reimbursable Work for Non-Federal Sponsors Process Manual | 0166 | Cancelled by DOE O 481.1E<br>Deleted Effective 1/30/19 |
| DOE O 534.1B | Accounting | 0229 | Cancelled by DOE O 520.1B<br>Deleted Effective 2/25/21 |
| DOE O 544.1 | Priorities and Allocations Program | 0015 | Deleted Effective 9/12/14 |
| DOE O 551.1D Chg 2 | Official Foreign Travel | 0178 | Cancelled by DOE O 550.1<br>Deleted Effective 9/24/19 |
| DOE O 580.1A Admin Chg 1 | Department of Energy Personal Property Management Program | 0101 | Cancelled by DOE N 251.118<br>Deleted Effective 2/16/17 |
| DOE-HDBK-1092-2013 | DOE Handbook – Electrical Safety | 0140 | Deleted Effective 5/2/18 |
| DOE-STD-1135-1999 | DOE Standard – Guidance for Nuclear Criticality Safety Engineer Training and Qualification | 0034 | Deleted (Duplicate and covered in DOE Order 420.1C) |
| DOE STD 3024-98 | DOE Standard – Content of System Design Description | 0015 | Deleted Effective 9/12/14 |
| DOE SNL TYPEBARG | Tie-down Procedure for Type A, B, ARG, and Miscellaneous Containers | 0034 | Language combined/revised last Mod (per Emory Hogan)<br>See: "DOE Technical Manual" |
| Executive Order 13423 | Strengthening Federal Environmental, Energy, and Transportation Management | 0094 | Deleted effective 12/13/16<br>DEAR 970.5223.6 covered |
| Executive Order 13514 | Federal Leadership in Environmental, Energy, and Economic Performance | 0034 | Deleted Duplicative requirement of<br>DOE O 436.1 |
| Executive Order 13526 | Classified National Security Information | 0034 | Deleted Duplicative requirement to<br>DOE Order 475.2A |
| NNSA ACD 470.6 | Use of Mobile Devices within National Nuclear Security Administration Secure Spaces | 0303 | Cancelled by NNSA SD 470.6<br>Delete Effective 5/24/23 |
| NNSA BOP 001.5 | Management and Operating Contractor Employment Reporting | 0094 | Cancelled<br>Effective 12/14/16 |
| NNSA BOP 001.311 | NNSA Budget Validation Process | 0273 | Deleted effective 8/17/22 |
| NNSA Supplemental Directive – NNSA SD G 1027 Admin Chg 1 | Guidance on Using Release Fraction and Modern Dosimetric Information Consistently with DOE STD 1027-92, *Hazard Categorization and Accident Analysis Techniques for Compliance with DOE Order 5480.23, Nuclear Safety Analysis Reports, Change Notice No. 1* | 0241 | Deleted Effective 9/13/21 |
| BOP 003.08 | Management and Operating Contractor Business Meals and Light Refreshment | 0015 | Deleted Effective 9/12/14 |
| BOP 50.002 | Value Management Policy | 0015 | Deleted Effective 9/12/14 |

| Reference Document | Title | Mod | Notes |
|---|---|---|---|
| BOP 50.003 | Independent Project Review Policy | 0015 | Deleted Effective 9/12/14 |
| NNSA BOP 413.1 Admin Chg (formerly BOP 06.01 Admin Chg 1) | Value Management (VM) | 0273 | Deleted effective 10/19/22 |
| NNSA Policy Letter: NAP-14.1-C, Chapter VII | NNSA Baseline Cyber Security Program | 0140 | Cancelled by NNSA SD 205.1 Deleted Effective 4/19/18 |
| NNSA Policy Letter: NAP-14.1-D | Baseline Cyber Security Program | 0140 | Cancelled by NNSA SD 205.1 Deleted Effective 4/19/18 |
| NAP 14.2-C | NNSA Certification and Accreditation (C&A) Process for Information Systems | 0015 | Deleted Effective 9/12/14 |
| NNSA Policy Letter: NAP-14.3-B | Transmission of Restricted Data over Secret Internet Protocol Router Network (SIPRNet) | 0140 | Cancelled by NNSA SD 205.1 Deleted Effective 4/19/18 |
| NNSA Policy Letter: NAP-21 | Transformational Governance and Oversight | 0094 | Cancelled by NNSA SD 226.1B |
| NAP-70.2 | Physical Protection | 0015 | Deleted Effective 9/12/14 |
| NAP-70.4 | Information Security | 0015 | Deleted Effective 9/12/14 |
| NAP-9A | Secon Implementation | 0015 | Deleted Effective 9/12/14 |
| IBP-202 | Record of Assembly and Disassembly | 0015 | Deleted Effective 9/12/14 |
| IBP-401 | Product Definition Exchange Process | 0015 | Deleted Effective 9/12/14 |
| IBP-404 | Engineering Authorization System | 0015 | Deleted Effective 9/12/14 |
| Letter | Letter dated 6/2/2010 from Thomas D. D'Agostino to Theodore Sherry, Expert-Based Unreviewed Safety Question Determination Procedure | 0015 | Deleted Effective 9/12/14 |
| NNSA Supplemental Directive – NA-SD 350.2 Rev 1 | Use of M&O Contractor Employees for Service to the NNSA in the Washington DC Area | 0094 | Cancelled by NAP 31 Deleted Effective 1/18/17 |
| QC-1 Revision 10 | DOE/NNSA Weapon Quality Policy (QC-1) | 0015 | Deleted Effective 9/12/14 |
| Site Specific CRD | Startup and Restart of Operations, Activities and Facilities | 0015 | Deleted Effective 9/12/14 |
| Site Specific CRD | Directive Systems Process | 0015 | Deleted Effective 9/12/14 |
| Standard Building Code | International Building Code | 0015 | Deleted Effective 9/12/14 |
| YSO-CRD-03-01 (Applies to Y-12 Only) | Startup and Restart of Operations, Activities, and Facilities at Y-12 including Safety Basis Document Implementation (Applicable until such time that decision on incorporating into NPO-SD3.4.3 is decided). | 0101 | Deleted Effective 3/9/17 |
| YSO-CRD-09-01 (Applies to Y-12 Only) | Projects Contractor Requirements Document (CRD) | 0140 | Deleted Effective 3/22/18 |

(A) Implementation of applicable directives.

(1) The Contractor shall submit an implementation plan to the Contracting Officer when required by the directive or other instruction of the Contracting Officer and within 60 days of the effective date of the Contract or acceptance of the directive after the

effective date of the Contract.

(2) The Contracting Officer will approve or disapprove the plan and notify the Contractor of the decision. If the Contracting Officer disapproves the plan, he/she shall clearly identify all deficiencies and provide reasonable suggestions for making the plan acceptable. Within 30 days after notification of the disapproval of a plan, the Contractor shall submit to the Contracting Officer the revised plan for approval as described above.

(3) During the process of implementation, the Contractor will notify the Contracting Officer if modifications to the plan are required for any reason. The Contracting Officer will consider all such requests and will not unreasonably withhold his/her approval to modify such plans when circumstances warrant modification.

*End of Appendix* -

# SECTION J

# APPENDIX O

# PROGRAM MANAGEMENT AND COST REPORTS

The Contractor shall submit periodic cost, schedule, and technical performance plans and reports in such form and substance as required by the Contracting Officer. Reference Section J, Appendix A, Statement of Work, Chapter I, 3.3. Cost reports shall include at a minimum:

1. Monthly submissions for:

   a. Specified cost elements including labor, material, other procurements, and travel.
   b. Indirect or overhead costs
   c. Schedule status information at the specified activity level
   d. Performance measurement information when relevant

   This data shall initially be submitted by the Contractor to NNSA as a supplemental report, but will become integrated into the DOE/NNSA Uniform Program Cost Reporting Structure (UPCRS). The UPCRS will transition the data from supplemental monthly reports to a submission to a Departmental system.

   The report shall be submitted at a level designated by the Contracting Officer. Initially the report shall be consistent with the guidance provided for Institutional Cost Reporting in Section J Appendix M. The Contractor shall have in place systems to expand the information provided to a designated level of a Program's Work Breakdown Structure (WBS).

   Monthly performance measurement provides information regarding budgeted cost versus actual cost, schedule performance against milestones and estimated cost at completion.

2. Annual submissions for:

   a. Spend plans
   b. Schedule plans
   c. Specifications of work scope activity

   This data shall initially be submitted by the Contractor to NNSA as a supplemental report, but will become integrated into designated reporting and budgeting systems. the DOE/NNSA UPCRS. The UPCRS will transition the data from supplemental monthly reports to a submission to a Departmental system.

The report shall be submitted at a level designated by the Contracting Officer. Initially the report shall be consistent with the Funding Program by Subprogram tables of President's budget submission or the accounting cost reporting level. The Contractor shall have in place systems to expand the information provided to a designated level of a Program's WBS.
While identified as annual submissions, to remain relevant, the Contractor shall update these plans based on changes to budget, work scope and schedule. The Contracting Officer, or designated authorized representatives, will provide the specific direction relevant to a Program's management strategy.

3. Ad-hoc submissions for:

   a. Program evaluation
   b. Cost estimating
   c. Budget validation

   The Contractor shall support these ad-hoc submissions by providing NNSA access to systems and personnel necessary to analyze and evaluate plans, programs, and budgets. NNSA will work with the Contractor to ensure that the costs of programs are presented accurately and completely. The Contractor shall support NNSA's evaluation of alternative technical strategies to ensure that programs and projects can be efficiently implemented.

The Contractor shall provide the Contracting Officer, or designated authorized representatives, access to information and documents comprising the Contractor's reporting system.

The Contractor shall include these reporting requirements in all subcontracts that are cost-reimbursement type of contracts when:

1. The value of the subcontract is greater than $2 million, unless specifically waived by the Contracting Officer, or

2. The Contracting Officer determines prior to award that the Contract/subcontract effort is, or involves, a critical task related to the Contract.

# SECTION J

## APPENDIX P

Replaced Mods 0015, 0045

# APPENDIX P.

# SPECIAL FINANCIAL INSTITUTION AGREEMENT FOR USE WITH THE PAYMENTS-CLEARED FINANCING ARRANGEMENT

**SPECIAL FINANCIAL INSTITUTION ACCOUNT**
**AGREEMENT FOR USE WITH THE PAYMENTS CLEARED**
**FINANCING ARRANGEMENT**

Agreement entered into this 30th day of December, 2014, between the UNITED STATES of AMERICA, represented by the Department of Energy (hereinafter referred to as "DOE"), and Consolidated Nuclear Security, LLC, a limited liability company existing under the laws of the State of Delaware, (hereinafter referred to as the Contractor) and SunTrust Bank, a financial institution corporation existing under the laws of the State of Georgia, with regional offices located at 9950 Kingston Pike, Knoxville, Tennessee (hereinafter referred to as the Financial Institution).

RECITALS

a) On the effective date of January 8, 2013, DOE and the Contractor entered into Agreement No. DE-NA0001942 (the Contract) providing for the transfer of funds on a payments-cleared basis.
b) DOE requires that amounts transferred to the Contractor thereunder be deposited in a special demand deposit account at a financial institution covered by U.S. Department of the Treasury-approved Government deposit insurance organizations that are identified in I TFM 6-9000 (see Fig. IX-10). These special demand deposits must be kept separate from the Contractor's general or other funds, and the parties are agreeable to so depositing said amounts with the Financial Institution.
c) The special demand deposit account shall be designated: Consolidated Nuclear Security, LLC Government Fund Account #1 (Master Account). Any ancillary accounts that may later be established will be designated in the same manner but will have a separate number followed by a subtitle denoting their purpose, e.g., "GF # 2, Payroll."

COVENANTS

In consideration of the foregoing, and for other good and valuable considerations, it is agreed that—

1. The Government shall have a title to the credit balance in said account to secure the repayment of all funds transferred to the Contractor, and said title shall be superior to any lien, title, or claim of the Financial Institution or others with respect to such accounts.

2. The Financial Institution shall be bound by the provisions of said Contract between DOE and the Contractor relating to the transfer of funds into and withdrawal of funds from the above special demand deposit account, which are hereby incorporated into this Agreement by reference, but the Financial Institution shall not be responsible for the application of funds withdrawn from said account. After receipt by the Financial Institution of directions from DOE, the Financial Institution shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Financial Institution from the Government upon DOE stationery and purporting to be signed by, or signed at the written direction of, the Government may, insofar as the rights, duties, and liabilities of the Financial Institution are concerned, be considered as having been properly issued and filed with the Financial Institution by DOE.

3. DOE, or its authorized representatives (including Contractor), shall have access to financial records maintained by the Financial Institution with respect to such special demand deposit account at all reasonable times and for all reasonable purposes, including, but without limitation to, the inspection or copying of such financial records and any or all memoranda, checks, payment requests, correspondence, or documents pertaining thereto. Such financial records shall be preserved by the Financial Institution for a period of 6 years after the final payment under the Agreement or as otherwise retained by the Financial Institution in accordance with its standard document retention policies which comply with applicable regulations.

4. In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the special demand deposit account, the Financial Institution shall promptly notify DOE at:

Jill Y. Albaugh, Contracting Officer
U.S. Department of Energy, NNSA
NNSA Production Office
301 Bear Creek Road
Oak Ridge, TN 37830

The Financial Institution shall simultaneously send a copy of any such notice to Contractor at:

Maureen Mendez, Chief Financial Officer
Consolidated Nuclear Security, LLC
P.O. Box 2009, Mail Stop 8015
Oak Ridge, TN 37831-8015

5. DOE shall authorize funds that shall remain available to the extent that obligations have been incurred in good faith thereunder by the Contractor to the Financial Institution for the benefit of the special demand deposit account. The Financial Institution agrees to honor upon presentation for payment all payments issued by the Contractor and to restrict all withdrawals against the funds authorized to an amount sufficient to maintain the average daily balance in the special demand deposit account in a net positive and as close to zero as administratively possible.

The Financial Institution agrees to service the account in this manner based on the requirements and specifications contained in the Payments Cleared Financing Arrangement solicitation dated September 9, 2014 and the Financial Institution's bid in response to such solicitation dated October 9, 2014. The Financial Institution agrees that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," contained in the Financial Institution's aforesaid bid will remain constant during the term of this Agreement, including any option periods. The Financial Institution shall calculate the monthly fees based on services rendered and invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.

If, for reasons beyond the Financial Institution's control, the Financial Institution does not receive or reasonably anticipates not receiving same-day reimbursement or the daily funding draw as contemplated in this Agreement, or if the Financial Institution is otherwise notified by the Contracting Officer that funding is not available for reimbursement or payment, the Financial Institution is authorized to withhold distributing payment until confirmation from the Contracting Officer is received that funding is available to cover the required payments.

6. The Financial Institution shall post collateral in accordance with 31 CFR Part 202 with the Federal Reserve Bank in an amount equal to the net balances in all of the accounts included in this Agreement, less the Treasury-approved deposit insurance.

7. This Agreement, with all its provisions and covenants, shall be in effect for a term of three (3) years, beginning on the first (1st) day of January, 2015 and ending on the thirty-first (31st) day of December, 2017. Contained within this Agreement are two (2) additional one (1) year options to extend the Agreement. Contractor may exercise the first option by giving the Financial Institution written notice no later than November 30, 2017. If Contractor exercises that option, it may then exercise the second option by giving the Financial Institution written notice no later than November 30, 2018.

8. DOE, the Contractor, or the Financial Institution may terminate this Agreement at any time within the Agreement period upon submitting written notification to the other parties 90 days prior to the desired termination date. The specific provisions for operating the account during this 90-day period are contained in Covenant 11.

9. DOE or the Contractor may terminate this Agreement at any time upon 30 days' written notice to the Financial Institution if DOE or the Contractor, or both parties, find that the Financial Institution has failed to substantially perform its obligations under this Agreement or that the Financial Institution is performing its obligations in a manner that precludes administering the program in an effective and efficient manner or that precludes the effective utilization of the Government's cash resources.

10. Notwithstanding the provisions of Covenants 8 and 9, in the event that the Contract referenced in Recital (a) between DOE and the Contractor is not renewed or is terminated, this Agreement between DOE, the Contractor, and the Financial Institution shall be terminated automatically upon the delivery of written notice to the Financial Institution. Thereafter, a subsequent agreement, based upon this Agreement, may be entered into between DOE, the new "replacement" contractor, and the Financial Institution to continue to the original term of this Agreement if all of the parties to this Agreement, including the "terminating" contractor, agree.

11. In the event of termination, the Financial Institution agrees to retain the Contractor's Special demand deposit account for an additional 90-day period to clear outstanding payment items. This Agreement shall continue in effect for the 90-day additional period, with exception of the following:

1. Term Agreement (Covenant 7)

2. Termination of Agreement (Covenants 8 and 9)

All terms and conditions of the aforesaid bid submitted by the Financial Institution that are not inconsistent with this 90-day additional term shall remain in effect for this period.

The Financial Institution has submitted the forms entitled "Technical Representations and Certifications" and "Schedule of Financial Institution Processing Charges." These forms have been accepted by the Contractor and the Government and are attached to and incorporated herein together with the document entitled "Financial Institution's Information on Payments Cleared Financing Arrangement" as an integral part of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement, which consists of ten pages, including attachments and the signature pages, to be executed as of the day and year first above written.

1-30-2015
Date Signed

By: Jill Y. Albaugh
(Typed Name of Contracting Officer)

[redacted]
(Signature of Contracting Officer)

Consolidated Nuclear Security, LLC
(Name of Contractor)

By: Maureen M. Mendez
(Name of Contractor's Representative)

[redacted]
(Signature of Contractor's Representative)

Chief Financial Officer
(Title)

301 Bear Creek Road, Oak Ridge, TN 37830
(Address)

12/30/14
(Date Signed)

SunTrust Bank
(Name of Financial Institution)

[redacted]
(Name of Financial Institution's Representative)

[redacted]
(Signature of Financial Institution's Representative)

First Vice President
(Title)

9950 Kingston Pike, Knoxville, TN 37922
(Address)

1-19-15
(Date Signed)

NOTE

The contractor, if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same office shall not execute both the Agreement and the Certificate.

CERTIFICATE

[redacted] certify that I am the CFO of Consolidated Nuclear Security, LLC, which is named as the Contractor herein; that, Maureen Wendez who signed this Agreement on behalf of the Contractor, was then CFC of said Contractor and that said Agreement was duly signed for and in behalf of said Contractor by authority of its governing body and is within the scope of its corporate powers.

[redacted]

(Corporate Seal) (Signature)

NOTE

Financial Institution, if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the Certificate.

CERTIFICATE

I, Eugene S. Hine certify that I am ~~the~~ a Senior Financial Officer of SunTrust Bank, the corporation named as Financial Institution herein; that Eric M. Andersen who signed this Agreement on behalf of the Financial Institution, was then 1st Vice President of said corporation; and that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

[redacted]

(Corporate Seal) (Signature)

## ATTACHMENT 1

## TECHNICAL REPRESENTATIONS AND CERTIFICATIONS

The financial institution makes the following technical representations and certifications as part of its proposal to Consolidated Nuclear Security, LLC to service under a payments cleared financing arrangement.

(Check parentheses and complete blanks, as appropriate. All information is necessary.)

1. Financial Institution Fiscal Information

a. The financial institution is a ( ) national chartered financial institution (X) State chartered financial institution organized and existing in the State of **GA**.

b. The financial institution (X) maintains ( ) does not maintain an account with a Federal Reserve Bank.

c. The current ( ) Federal ( ) State time deposit reserve requirement for the financial institution is ___ %.

**A depository institution's reserve requirements vary by the dollar amount of net transaction accounts held at that institution. Effective December 29, 2011, institutions with net transactions accounts:**

- **Of less than $12.4 million have no minimum reserve requirement;**
- **Between $12.4 million and $79.5 million must have a liquidity ratio of 3%;**
- **Exceeding $79.5 million must have a liquidity ratio of 10%.**[5]

d. The financial institution insures each time account for $250,000 under federally approved deposit insurance (X) Yes ( ) No. Deposits are insured by a Government deposit insurance organization approved by the Department of the Treasury (a list of approved insurance organizations is attached to this form). If no, explain:

e. The financial institution has direct online access to the Federal Reserve Communications System (FRCS). (X) Yes ( ) No. If no, explain:

f. To receive same-day credit from the Federal Reserve, the financial institution can ascertain the amount of payments cleared net of the amount of any deposits and submit a payment request through the FRCS by 4 p.m. eastern time.

**SunTrust Bank will ascertain the total as done today. However, the Bank looks forward to working with the client to put in place the most mutually beneficial method of determining the daily settlement totals in the future.**

2. Minority Business Enterprises

Does the financial institution operate as a minority- or woman-owned business enterprise with at least 50-percent ownership by minority group or women members? ( ) Yes (X) No. (For present purposes, minority group members are African Americans, Hispanic Americans, Asian Americans, American Indians, Caucasian Women, Eskimos, and Aleuts.)

3. Technical

a. Does the financial institution currently service and reconcile an account with a payment volume equal to or exceeding the anticipated volume required by the contractor as stated in the "Schedule of Financial Institution Processing Charges"?

Service: (X) Yes ( ) No Reconciliation: (X) Yes ( ) No

b. What is the highest number of payments serviced and reconciled for a single account? Over 1 Million

Service: CPR & ARP

Reconciliation: Yes

10-8-14
Date Signed

By: Eric Anderson
(Typed name of Contracting Officer)

[redacted]
(Signature of Contracting Officer)

## ATTACHMENT 2

## SCHEDULE OF FINANCIAL INSTITUTION PROCESSING CHARGES

**Name of Financial Institution: SunTrust Bank**

**Proposal Prepared by: Barbara Mahaffey** Date: October 2014 **Effective Jan 2015 - Jan 2020**

| Service | Estimated Monthly Volume (1st 9 Months) | Proposed Monthly Price | Estimated Monthly Total | Estimated Monthly Volume beginning October 1, 2015 | Proposed Monthly Price | Estimated Monthly Total |
|---|---|---|---|---|---|---|
| Account Maintenance - Monthly | 4 | $17.00 | $68.00 | 5 | $17.00 | $85.00 |
| Insufficient Funds Items | 0 | $0.00 | $0.00 | 0 | $0.00 | $0.00 |
| Electronic Credits Posted (ACH Returns) ACH RETURNS BELOW | 3 | $0.11 | $0.33 | 3 | $0.11 | $0.33 |
| Items Paid Not Enclosed | 0 | $0.17 | $0.00 | 0 | $0.17 | $0.00 |
| Items Paid Enclosed | 0 | $0.20 | $0.00 | 0 | $0.20 | $0.00 |
| Unavailable Funds Items | 0 | $0.00 | $0.00 | 0 | $0.00 | $0.00 |
| Electronic Debits Posted | 70 | $0.11 | $7.70 | 70 | $0.11 | $7.70 |
| Other Miscellaneous Debits | 0 | $0.11 | $0.00 | 0 | $0.11 | $0.00 |
| Overdraft Items Paid | 0 | $0.00 | $0.00 | 0 | $0.00 | $0.00 |
| Credit Reference-Manual | 0 | $15.00 | $0.00 | 0 | $15.00 | $0.00 |
| Items Deposited | 0 | $0.11 | $0.00 | 49 | $0.11 | $0.00 |
| Check Cashing Fee | 0 | $0.00 | $0.00 | 0 | $0.00 | $0.00 |
| SUBTOTAL | | | $76.03 | | | $93.03 |
| ZBA Master Account | 1 | $25.00 | $25.00 | 1 | $25.00 | $25.00 |
| ZBA Sub Account | 3 | $10.00 | $30.00 | 3 | $10.00 | $30.00 |
| SUBTOTAL | | | $55.00 | | | $55.00 |
| Controlled Payment-Mth Maint | 2 | $100.00 | $200.00 | 2 | $100.00 | $200.00 |
| Control Payment-Checks Paid | 1009 | $0.11 | $110.99 | 1818 | $0.11 | $199.98 |
| Controlled Payment-Mismatches | 0 | $1.00 | $0.00 | 0 | $1.00 | $0.00 |
| Controlled Pymt Issues - Bank Created | 0 | $15.00 | $0.00 | 0 | $15.00 | $0.00 |
| Controlled Pymt Trans to Bank (per Trans) | 19 | $8.00 | $152.00 | 19 | $8.00 | $152.00 |
| Controlled Pymt Trans to Bank (per Record | 1009 | $0.01 | $10.09 | 1818 | $0.10 | $18.18 |
| Returned Item | 0 | $10.00 | $0.00 | 0 | $10.00 | $0.00 |
| SUBTOTAL | | | $473.08 | | | $570.16 |
| Partial Recon- Base Fee | 2 | $60.00 | $120.00 | 2 | $60.00 | $120.00 |
| Account Recon D/T to Client (Per Trans) | 3 | $8.00 | $24.00 | 3 | $8.00 | $24.00 |
| Account Recon D/T to Client (Per Record) | 1003 | $0.01 | $10.03 | 1812 | $0.01 | $18.12 |
| SUBTOTAL | | | $154.03 | | | $162.12 |
| Images Per Item | 1009 | $0.04 | $40.36 | 1818 | $0.04 | $72.72 |
| Other storage media | 0 | | $0.00 | 0 | | $0.00 |
| CD ROM PREMIUM CD | 1 | $30.00 | $30.00 | 1 | $30.00 | $30.00 |
| SUBTOTAL | | | $70.36 | | | $102.72 |
| Check Print Maint- Same Day | 1 | $100.00 | $100.00 | 1 | $100.00 | $100.00 |
| Check Print - per Item | 0 | | $0.00 | 0 | | $0.00 |
| EPP Ck Print Express Mail | 0 | $0.00 | $0.00 | 0 | $0.00 | $0.00 |
| EPP Data Trans to STI Per File | 11 | $5.00 | $55.00 | 11 | $5.00 | $55.00 |
| EPP Data Trans to STI-Records | 46805 | 0.003 | $140.42 | 46805 | 0.003 | $140.42 |
| SUBTOTAL | | | $295.42 | | | $295.42 |
| ACH Monthly Maintenance | 2 | $8.00 | $16.00 | 2 | $8.00 | $16.00 |
| ACH Calendar Monitoring Fee | 1 | $20.00 | $20.00 | 1 | $20.00 | $20.00 |
| ACH File Transmissions, Self | 39 | $9.00 | $351.00 | 45 | $9.00 | $405.00 |
| ACH File Transmissions, Vendor File | 12 | $9.00 | $108.00 | 12 | $9.00 | $108.00 |
| Consumer PPD Debits Originated | 1 | $0.04 | $0.04 | 1 | $0.04 | $0.04 |
| Consumer PPD Credits Originated | 17297 | $0.04 | $691.88 | 30615 | $0.04 | $1,224.60 |
| ACH Addenda Orig | 3709 | $0.02 | $74.18 | 3709 | $0.02 | $74.18 |
| Corp Credits Orig CCD,CCD+CTX | 765 | $0.04 | $30.60 | 765 | $0.04 | $30.60 |
| ACH Reversals - Item | 1 | $3.00 | $3.00 | 1 | $3.00 | $3.00 |
| International Credits Orig (IAT) | 1 | $0.04 | $0.04 | 1 | $0.04 | $0.04 |
| International Debit Originated (IAT) | 0 | $0.04 | $0.00 | 0 | $0.04 | $0.00 |
| ACH Return Item | 2 | $3.00 | $6.00 | 2 | $3.00 | $6.00 |
| ACH Deletions Batch or File | 0 | $10.00 | $0.00 | 0 | $10.00 | $0.00 |
| ACH Deletions - Item | 0 | $10.00 | $0.00 | 0 | $10.00 | $0.00 |
| ACH Exception Processing | 0 | $0.00 | $0.00 | 0 | $0.00 | $0.00 |
| ACH NOC Item | 4 | $0.00 | $0.00 | 4 | $0.00 | $0.00 |
| SUBTOTAL | | | $1,300.74 | | | $1,887.46 |
| Fraud Cntrl Monthly Maintenance | 2 | $17.50 | $35.00 | 2 | $17.50 | $35.00 |
| SUBTOTAL | | | $35.00 | | | $35.00 |
| EDI Monthly Maintenance- Origination | 3 | $105.00 | $315.00 | 3 | $105.00 | $315.00 |
| EDI Origination Per 1000 Characters | 443 | $0.50 | $221.50 | 443 | $0.50 | $221.50 |
| EDI Auto D/T to Bank/Transactions | 27 | $6.00 | $162.00 | 27 | $6.00 | $162.00 |
| EDI Auto D/T to Bank/Records | 7671 | $0.01 | $76.71 | 7671 | $0.01 | $76.71 |

## ATTACHMENT 2

### SCHEDULE OF FINANCIAL INSTITUTION PROCESSING CHARGES

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| EDI Translated Rpt-per Item (ACH Debits) | | 33 | $1.00 | $33.00 | 33 | $1.00 | $33.00 |
| EDI Translated Rpt-Faxed Pages | | 33 | $1.00 | $33.00 | 33 | $1.00 | $33.00 |
| | SUBTOTAL | | | $841.21 | | | $841.21 |
| Wire Trsf Monthly Maint/Acct | | 1 | $5.00 | $5.00 | 1 | $5.00 | $5.00 |
| W/T Out Rep/Semi (Oper Assist) | | 21 | $8.00 | $168.00 | 21 | $8.00 | $168.00 |
| Draw Down Request | | 21 | $5.00 | $105.00 | 21 | $5.00 | $105.00 |
| W/T Branch/Dept Initiated | | 0 | $8.00 | $0.00 | 0 | $8.00 | $0.00 |
| W/T Out Repetitive | | 31 | $8.00 | $248.00 | 55 | $8.00 | $348.00 |
| Internal Wire Transfer Credit | | 0 | $2.50 | $0.00 | 0 | $2.50 | $0.00 |
| W/T Out Non-Repetitive | | 0 | $8.00 | $0.00 | 0 | $8.00 | $0.00 |
| W/T Internal Repetitive | | 0 | $5.00 | $0.00 | 0 | $5.00 | $0.00 |
| W/T Tracer/Reversal | | 0 | $20.00 | $0.00 | 0 | $20.00 | $0.00 |
| W/T Incoming | | 21 | $5.00 | $105.00 | 21 | $5.00 | $105.00 |
| | SUBTOTAL | | | $631.00 | | | $631.00 |
| INFO RPTG Maintenance Fee | | 1 | $60.00 | $60.00 | 1 | $60.00 | $60.00 |
| PRIOR DAY Service/Per Month | | 1 | $5.00 | $5.00 | 1 | $5.00 | $5.00 |
| PRIOR DAY Acct Maint/Per Acct | | 4 | $5.00 | $20.00 | 4 | $5.00 | $20.00 |
| PRIOR DAY Detail/ Per Item | | 1299 | $0.03 | $38.97 | 1299 | $0.03 | $38.97 |
| SAME DAY Service / Per Month | | 1 | $5.00 | $5.00 | 1 | $5.00 | $5.00 |
| SAME DAY Acct Maint/Per Acct | | 4 | $5.00 | $20.00 | 4 | $5.00 | $20.00 |
| SAME DAY Detail/Per Item | | 147 | $0.03 | $4.41 | 147 | $0.03 | $4.41 |
| Special Report Service/ Per Month | | 1 | $0.00 | $0.00 | 1 | $0.00 | $0.00 |
| ACH Transmission Report/Per Day | | 12 | $1.00 | $12.00 | 12 | $1.00 | $12.00 |
| Controlled Payments - Report(s)/Per Day | | 21 | $1.00 | $21.00 | 21 | $1.00 | $21.00 |
| Stop Service / Per Month | | 1 | $0.00 | $0.00 | 1 | $0.00 | $0.00 |
| Stop Payment/ Per Stop | | 0 | $8.00 | $0.00 | 2 | $8.00 | $8.00 |
| ACH Service / Per Month | | 1 | $20.00 | $20.00 | 1 | $20.00 | $20.00 |
| ACCT Transfer Service/Per Month | | 1 | $0.00 | $0.00 | 1 | $0.00 | $0.00 |
| Acct Transfer / Per Transfer | | 2 | $0.00 | $0.00 | 2 | $0.00 | $0.00 |
| Online Image Maintenance | | 1 | $0.00 | $0.00 | 1 | $0.00 | $0.00 |
| Wire Service / Per Month | | 1 | $15.00 | $15.00 | 1 | $15.00 | $15.00 |
| Image Acct Maint/Per Mo | | 4 | $0.00 | $0.00 | 4 | $0.00 | $0.00 |
| Image Item Retrieval/Per Image | | 7 | $0.75 | $5.25 | 7 | $0.75 | $5.25 |
| | SUBTOTAL | | | $226.63 | | | $226.63 |
| Intl Wire out Non-Repetitive USD | | 4 | $5.00 | $20.00 | 4 | $5.00 | $20.00 |
| | SUBTOTAL | | | $20.00 | | | $20.00 |
| TOTAL ESTIMATED MONTLY CHARGES | | | | $4,178.50 | | | $4,918.75 |

**NOTES:**

1. Please include any additional services and/or fees necessary to cover all services required by the Statement of Work. Prices for services not listed above which the institution believes are pertinent should be listed on as separate sheet along with the estimated quantities and total price for the service.
2. The quantities set forth in this document are estimates only. Estimated quantities will be deleted in any resulting agreement. There will be no adjusting of unit prices due to variations from bid quantities.

## ATTACHMENT 2 page 3

## SCHEDULE OF FINANCIAL INSTITUTION PROCESSING CHARGES

**Name of Financial Institution: SunTrust Bank**

**Proposal Prepared by: Barbara Mahaffey** Date: October 2014 **Effective Jan 2015 - Jan 2020**

| Service | Estimated Monthly Volume (1st 9 Months) | Proposed Monthly Price | Estimated Monthly Total | Estimated Monthly Volume beginning October 1, 2015 | Proposed Monthly Price | Estimated Monthly Total |
|---|---|---|---|---|---|---|
| [redacted] | | | | | | |
| Deposits Credited | 0 | $0.80 | $0.00 | $0.80 | $0.80 | $0.00 |
| Deposit Correction | 0 | $5.00 | $0.00 | $5.00 | $5.00 | $0.00 |
| Corp DEBITS Orig CCD, CCD+ & CTX | 0 | $0.04 | $0.00 | $0.04 | $0.04 | $0.00 |
| W/T Out Non-Rep (Oper Assist) | 0 | $8.00 | $0.00 | $8.00 | $8.00 | $0.00 |
| W/T Internal Non-Rep OTM Wire | 0 | $6.00 | $0.00 | $6.00 | $6.00 | $0.00 |
| Intl W/T Trace/Reversal/Amend | 0 | $25.00 | $0.00 | $25.00 | $25.00 | $0.00 |
| Branch Cash OTC Deposit/$1,000 | 0 | $2.00 | $0.00 | $2.00 | $2.00 | $0.00 |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |
| [redacted] | | | | | | |

# APPENDIX R.

## LIST OF CONTRACTING OFFICER'S REPRESENTATIVES (CORs)

| Name | Title | Functional Area |
|---|---|---|
| **CLIN 0001** | | |
| Robbins, Teresa | Manager | All Assistant Manager's Functional Area(s): Senior Scientific and Technical Advisor; Operations Management; Business & Contract Management; Safeguards & Security; Nuclear Safety & Engineering; Environment, Safety, Health & Quality; Programs & Projects |
| Armstrong, Jason | Manager (PX) | All Pantex Manager's Functional Area(s): Operations Management; Business & Contract Management; Safeguards & Security; Nuclear Safety & Engineering; Environment, Safety, Health & Quality; Programs & Projects |
| Hitson, Mary Helen | Deputy Manager (Y-12) | All Assistant Manager's Functional Area(s): Operations Management; Business & Contract Management; Safeguards & Security; Nuclear Safety & Engineering; Environment, Safety, Health & Quality; Programs & Projects |
| Alvarado, Carlos | Deputy Manager (PX) | All Assistant Manager's Functional Area(s): Operations Management; Business & Contract Management; Safeguards & Security; Nuclear Safety & Engineering; Environment, Safety, Health & Quality; Programs & Projects |
| Brown, Justin W. | Program Analyst, NA-15 | Provide technical direction for NNSA Office of Defense Programs (NA-10)/Office of Secure Transportation (NA-15) consistent with the Scope of Work, annual executed Implementation Plans, and approved Work Authorizations and/or Task Agreements. |
| Brashears, Janice P. | Assistant Manager for Business & Contract Management | All Business and Contract Management functions to include, but not be limited to, contract administration; contractor human resources; procurement; supply chain management; directives; records management; labor standards; interagency work; budget formulation and execution; Performance Evaluation and Measurement Plan; interim and final reports and award fee process; information solutions and services; cyber security; internal and external reviews; employee concerns; and the cost savings program. |
| Buchholz, Matthew A. | Assistant Manager for Environment, Safety, Health & Quality | All ESH&Q activities to include, but not be limited to, day-to-day oversight of health physics and radiological protection, industrial hygiene and occupational medicine, industrial safety, construction safety, firearm safety, aviation safety, explosive safety, pressure safety, electrical safety, transportation safety, chemical safety, fire protection program, Federal Employee Occupational Safety and Health, ES&H reporting, waste management, environmental programs, Environmental Management System, training (contractor and fed FTCP), Accident Investigation, National Environmental Policy Act, cultural |

| Name | Title | Functional Area |
|---|---|---|
| | | resources, and implementation of ISMS. Implementation of the Lean Governance model, manages the NPO operational infrastructure, and champions the ISO 9001 registration and LOCAS efforts. The office provides day-to-day oversight of Contractor activities including: Directives Management (internal and external), records management, Nuclear Facility Quality Assurance (QA), Software QA, and Weapons QA (WQA), Enforcement, Performance Assurance, Issues Management, CAS, and the Lessons Learned Program. Delegation of Product Acceptance Authority, in accordance with NAP-24A. |
| Davis, Brandon | Deputy Assistant Manager for Programs & Projects | All programmatic and project activities to include, but not be limited to, Directed Stockpile Work, Facilities and Infrastructure Recapitalization Program, Strategic Partnership Programs, Naval Reactors, Nuclear Nonproliferation Campaigns, Nuclear Material Management, Plant Directed Research and Development, and the preparation of strategic planning documents. Additional activities include infrastructure planning, energy sustainment, explosives program, start-up and restart activities, capital line items, expense projects and GPD/GPP. |
| Glines, Chad W. | Deputy Director, MB-60 | All financial matters to include but not limited to accounting, administrative control of funds and distribution, and related budget execution, financial oversight, financial reporting, and review of indirect rates. |
| Mallison, William Tyler | Assistant Manager for Nuclear Safety & Engineering | All Nuclear Safety functions to include, but not be limited to, safety basis, nuclear explosives and criticality safety, and vital safety systems. |
| Morris, Susan D. | Assistant Manager for Programs & Projects | All programmatic and project activities to include, but not be limited to, Directed Stockpile Work, Facilities and Infrastructure Recapitalization Program, Strategic Partnership Programs, Naval Reactors, Nuclear Nonproliferation Campaigns, Nuclear Material Management, Plant Directed Research and Development, and the preparation of strategic planning documents. Additional activities include infrastructure planning, energy sustainment, explosives program, start-up and restart activities, capital line items, expense projects and GPD/GPP. |
| Reeves, Dan | Deputy Assistant Manager for Safeguards & Security | All programmatic and project activities for the functional areas of Safeguards & Security and Emergency Management. |
| Rhodes, Brian | Assistant Manager for Nuclear Safety & Engineering | All Nuclear Safety functions to include, but not be limited to, safety basis, nuclear explosives and criticality safety, and vital safety systems. |
| Rauch, Rory | Assistant Manager for Operations | All facility operations at Y-12 and Pantex sites to include, but not limited to nuclear facility operations, site occurrences, conduct of operations program, activity-level work control, facility and site management and maintenance programs. |
| Slack, Terri L. | Site Counsel | Oversight of all legal matters, including the administration of 10 CFR 719, Contractor Legal Management Requirements. |

| Name | Title | Functional Area |
|---|---|---|
| Smolens, Glenn (Chuck) | Assistant Manager for Environment, Safety, Health & Quality | All ESH&Q to include, but not be limited to, day-to- day oversight of health physics and radiological protection, industrial hygiene and occupational medicine, industrial safety, construction safety, firearm safety, aviation safety, explosive safety, pressure safety, electrical safety, traffic safety, chemical safety, fire protection program (including Fire Department), ES&H reporting, waste management, transportation, environmental programs, Environmental Management System, technical training, Accident Investigation, National Environmental Policy Act, cultural resources, implementation of ISMS, Governance, Performance Assurance, Contractor Assurance System, Enterprise Risk Management, Enforcement, Nuclear Facility Quality Assurance (QA), Software QA, and Weapons QA. Delegation of Product Acceptance Authority, in accordance with the NNSA Policy Letter NAP-24A, Weapon Quality Policy, Attachment 3, Section 1.2.2.a. |
| Taylor, Christopher G. | Assistant Manager for Programs & Projects (PX) | All programmatic and project activities to include, but not be limited to, Directed Stockpile Work Readiness in Technical Basis and Facilities, Facilities and Infrastructure Recapitalization Program, Work for Others, Naval Reactors, Nuclear Nonproliferation, Campaigns, Packaging and Transportation, Nuclear Material Management, Plant Directed Research and Development and the preparation of strategic planning documents. Additional activities include infrastructure planning, energy sustainment, explosives program, start-up and restart activities, capital line items, expense projects and GPD/GPP. |
| Thompson, Belynda J. | Deputy Assistant Manager for Business & Contract Management | All Business and Contract Management functions to include, but not be limited to, contract administration; contractor human resources; procurement; supply chain management; directives; records management; labor standards; interagency work; budget formulation and execution; Performance Evaluation and Measurement Plan; interim and final reports and award fee process; information solutions and services; cyber security; internal and external reviews; employee concerns; and the cost savings program. |
| Thompson, Michael | Assistant Deputy Administrator for Major Modernization Programs NA-19 | All Major Modernization Programs to include but not limited to providing program direction on initiating timely work authorization, and performing oversight activities for Life Extension. |
| Walsh, Patricia A. | Deputy Assistant Manager for Safeguards & Security | All programmatic and project activities for the functional areas of Safeguards & Security and Emergency Management. |
| Warner, Larry D | Site Counsel | Oversight of all legal matters, including the administration of 10 CFR 719, Contractor Legal Management Requirements. |

**CLIN 0002**

| | | |
|---|---|---|
| Christenson, Dale E. | UPF Federal Project Director<br>NA-APM-1 | CLIN 0002 Uranium Processing Facility Project Management |
| Peters, Richard D. (Don) | Federal Project Director<br>UPF Project Office | CLIN 0002 Uranium Processing Facility (UPF) Project Management |

| **Federal Project Management** | | |
|---|---|---|
| Creasy, Darryl | Federal Project Director | Ongoing programmatic and project activities to include, but not be limited to, the West End Protected Area Reduction project. |
| Daegorn, Adam | Federal Project Director | Ongoing programmatic and project activities to include, but not be limited to, the West End Protected Area Reduction Project. |
| LaForest, Jr. James R. | Federal Project Director | Ongoing programmatic and project activities to include, but not limited to, the Uranium Processing Facility Project. |
| Thompson, Eric | Federal Project Director | Ongoing programmatic and project activities to include, but not be limited to, the Electrorefiner and Y-12 Fire Station Projects. |
| Overbay, Fred | Federal Project Director | Ongoing programmatic and project activities to include, but not be limited to, the 9212 Calciner Project. |
| Christenson, Dale | Federal Project Director | Ongoing programmatic and project management activities to include, but not limited to, ALL Y-12 APMO defined projects. |
| Pearson, Michael | Federal Project Director | Ongoing programmatic and project management activities to include, but not limited to, ALL Y-12 APMO defined projects. |
| Russell, Paige | Federal Technical Director | Ongoing programmatic and project management activities to include, but not limited to, ALL Y-12 APMO defined projects. |
| Peters, Richard D. | Federal Project Director | Ongoing programmatic and project activities to include, but not limited to, the Uranium Processing Facility Project. |
| Antizzo, Karen | Federal Project Director | Ongoing programmatic and project activities to include, but not limited to, the Direct Chip Melt and Bottom Loading Furnace Project. |

# SECTION J

# APPENDIX T

# DAVIS BACON WAGE DETERMINATIONS

**Added by Mod 0162**

T-1

# WAGE RATES GOVERNING THE BASE PERIOD OF THE CONTRACT

*[MOD 0162]*

TN120077 MOD 3 LAST MODIFICATION TN77
****THIS WAGE DETERMINATION WAS ACTIVE AS OF THE END OF YEAR****
General Decision Number: TN120077 06/08/2012

Superseded General Decision Number: TN20100092

State: Tennessee

Construction Type: Building

County: Anderson County in Tennessee.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

| Modification Number | Publication Date |
|---|---|
| 0 | 01/06/2012 |
| 1 | 05/11/2012 |
| 2 | 06/01/2012 |
| 3 | 06/08/2012 |

BOIL0453-003 01/01/2011

| | Rates | Fringes |
|---|---|---|
| BOILERMAKER | $ 25.73 | 17.07 |

BRTN0005-006 05/01/2010

| | Rates | Fringes |
|---|---|---|
| BRICKLAYER | $ 22.86 | 1.78 |

ELEC0760-006 06/01/2012

| | Rates | Fringes |
|---|---|---|
| ELECTRICIAN (Including Electrical Installer (Alarms) | $ 22.74 | 4.25%+7.20 |

* ENGI0917-016 05/01/2012

| | Rates | Fringes |
|---|---|---|
| Power Equipment Operator | | |
| Backhoe/Trackhoe/Excavator | $ 24.94 | 9.40 |
| Bulldozer | $ 24.94 | 9.40 |
| Crane | $ 24.94 | 9.40 |
| Forklift | $ 22.89 | 9.40 |
| Grader/Blade | $ 22.89 | 9.40 |

IRON0384-005 05/01/2012

| | Rates | Fringes |
|---|---|---|
| IRONWORKER, STRUCTURAL AND REINFORCING | $ 22.61 | 10.57 |

LABO0818-001 05/01/2012

| | Rates | Fringes |
|---|---|---|

Laborers:
GROUP 1.....$ 18.12 5.48
GROUP 2.....$ 18.42 5.48

GROUP 1: Common or General, Landscaping

GROUP 2: Form Work

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PAIN0437-009 01/01/2007

| | Rates | Fringes |
|---|---|---|
| PAINTER (Including Brush, Roller, Spray and Drywall Finishing/Taper) | $ 16.96 | 2.20 |

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PLAS0078-001 05/01/2009

| | Rates | Fringes |
|---|---|---|
| CEMENT MASON/CONCRETE FINISHER | $ 26.42 | 0.06 |

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PLUM0102-004 05/01/2012

| | Rates | Fringes |
|---|---|---|
| PIPEFITTER, Includes HVAC Pipe Installation | $ 27.18 | 10.40 |

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PLUM0102-009 05/01/2012

| | Rates | Fringes |
|---|---|---|
| PLUMBER (Excluding HVAC Pipe Installation) | $ 27.18 | 10.40 |

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SHEE0005-012 05/01/2010

| | Rates | Fringes |
|---|---|---|
| SHEET METAL WORKER (Including Metal Building Erector (Metal Siding/Wall Panel and HVAC Duct Installation (Excluding Metal Roof Installation) | $ 23.80 | 9.20 |

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SUTN2009-075 09/21/2009

| | Rates | Fringes |
|---|---|---|
| CARPENTER (Drywall Hanging Only) | $ 13.00 | 0.25 |
| HVAC MECHANIC (HVAC System Installation Only) | $ 12.75 | 1.49 |
| LABORER: Mason Tender - Brick | $ 12.82 | 0.00 |
| LABORER: Roof Tearoff | $ 9.75 | 0.49 |
| OPERATOR: Bobcat/Skid Steer/Skid Loader | $ 17.05 | 0.00 |

OPERATOR: Mechanic.....$ 18.33 3.67

OPERATOR: Paver.....$ 13.50 0.00

OPERATOR: Roller.....$ 13.98 0.00

ROOFER: Built up Roof.....$ 12.74 0.00

ROOFER: Rubber Roof.....$ 16.82 4.77

ROOFER: Single Ply Roof.....$ 16.50 0.32

SHEET METAL WORKER (Metal Roofs Installation).....$ 15.64 0.00

TILE FINISHER.....$ 10.00 0.74

TRUCK DRIVER: Dump Truck.....$ 12.56 0.00

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is union or non-union.

Union Identifiers

An identifier enclosed in dotted lines beginning with characters other than "SU" denotes that the union classification and rate have found to be prevailing for that classification. Example: PLUM0198-005 07/01/2011. The first four letters , PLUM, indicate the international union and the four-digit number, 0198, that follows indicates the local union number or district council number where applicable , i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2011, following these characters is the effective date of the most current negotiated rate/collective bargaining agreement which would be July 1, 2011 in the above example.

Union prevailing wage rates will be updated to reflect any changes in the collective bargaining agreements governing the rate.

Non-Union Identifiers

Classifications listed under an "SU" identifier were derived from survey data by computing average rates and are not union rates; however, the data used in computing these rates may include both union and non-union data. Example: SULA2004-007 5/13/2010. SU indicates the rates are not union rates, LA indicates the State of Louisiana; 2004 is the year of the survey; and 007 is an internal number used in producing the wage determination. A 1993 or later date, 5/13/2010, indicates the classifications and rates under that identifier were issued as a General Wage Determination on that date.

Survey wage rates will remain in effect and will not change until a new survey is conducted.

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WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an

interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

TN120066 MOD 4 LAST MODIFICATION TN66
****THIS WAGE DETERMINATION WAS ACTIVE AS OF THE END OF YEAR****
General Decision Number: TN120066 06/08/2012

Superseded General Decision Number: TN20100081

State: Tennessee

Construction Type: Building

County: Roane County in Tennessee.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

| Modification Number | Publication Date |
|---|---|
| 0 | 01/06/2012 |
| 1 | 04/13/2012 |
| 2 | 05/11/2012 |
| 3 | 06/01/2012 |
| 4 | 06/08/2012 |

BRTN0005-005 05/01/2010

| | Rates | Fringes |
|---|---|---|
| BRICKLAYER | $ 24.29 | 1.73 |

ELEC0760-009 06/01/2012

| | Rates | Fringes |
|---|---|---|
| ELECTRICIAN | $ 22.74 | 4.25%+7.20 |

* ENGI0917-015 05/01/2012

| | Rates | Fringes |
|---|---|---|
| Power Equipment Operator | | |
| Backhoe/Trackhoe/Excavator | $ 24.94 | 9.40 |
| Bulldozer | $ 24.94 | 9.40 |
| Crane | $ 24.94 | 9.40 |
| Forklift | $ 22.89 | 9.40 |

IRON0384-005 05/01/2012

| | Rates | Fringes |
|---|---|---|
| IRONWORKER, STRUCTURAL AND REINFORCING | $ 22.61 | 10.57 |

PAIN0437-006 01/01/2007

| | Rates | Fringes |
|---|---|---|
| PAINTER: Brush, Roller and Spray | $ 16.96 | 2.20 |

PLUM0102-005 05/01/2012

| | Rates | Fringes |
|---|---|---|
| PIPEFITTER | $ 27.18 | 10.40 |

SFTN0669-001 04/01/2012

| | Rates | Fringes |
|---|---|---|
| SPRINKLER FITTER (Fire Sprinklers) | $ 23.83 | 14.72 |

SHEE0005-015 05/01/2011

| | Rates | Fringes |
|---|---|---|
| SHEET METAL WORKER (Including HVAC Duct Installation) | $ 23.80 | 9.20 |

SUTN2009-064 09/21/2009

| | Rates | Fringes |
|---|---|---|
| ACOUSTICAL CEILING MECHANIC | $ 11.25 | 0.52 |
| CARPENTER, Includes Drywall Hanging (Excludes Acoustical Ceiling Installation) | $ 14.25 | 4.84 |
| CEMENT MASON/CONCRETE FINISHER | $ 11.14 | 1.51 |
| GLAZIER | $ 14.09 | 1.79 |
| HVAC MECHANIC (HVAC System Installation Only) | $ 14.14 | 1.50 |
| LABORER: Common or General | $ 9.00 | 0.00 |
| LABORER: Mason Tender - Brick | $ 12.39 | 0.00 |
| OPERATOR: Grader/Blade | $ 15.05 | 1.42 |
| OPERATOR: Roller | $ 12.00 | 0.00 |
| PLUMBER | $ 14.91 | 9.22 |
| ROOFER, Includes Rubber, and Shake & Shingle Roofs | $ 15.38 | 0.00 |
| TRUCK DRIVER: Dump Truck | $ 11.37 | 1.50 |

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Unlisted classifications needed for work not included within

the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is union or non-union.

Union Identifiers

An identifier enclosed in dotted lines beginning with characters other than "SU" denotes that the union classification and rate have found to be prevailing for that classification. Example: PLUM0198-005 07/01/2011. The first four letters , PLUM, indicate the international union and the four-digit number, 0198, that follows indicates the local union number or district council number where applicable , i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2011, following these characters is the effective date of the most current negotiated rate/collective bargaining agreement which would be July 1, 2011 in the above example.

Union prevailing wage rates will be updated to reflect any changes in the collective bargaining agreements governing the rate.

Non-Union Identifiers

Classifications listed under an "SU" identifier were derived from survey data by computing average rates and are not union rates; however, the data used in computing these rates may include both union and non-union data. Example: SULA2004-007 5/13/2010. SU indicates the rates are not union rates, LA indicates the State of Louisiana; 2004 is the year of the survey; and 007 is an internal number used in producing the wage determination. A 1993 or later date, 5/13/2010, indicates the classifications and rates under that identifier were issued as a General Wage Determination on that date.

Survey wage rates will remain in effect and will not change until a new survey is conducted.

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WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination

* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

TX120257 MOD 3 LAST MODIFICATION TX257
****THIS WAGE DETERMINATION WAS ACTIVE AS OF THE END OF YEAR****
General Decision Number: TX120257 12/21/2012

Superseded General Decision Number: TX20100291

State: Texas

Construction Type: Building

County: Carson County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

| Modification Number | Publication Date |
|---|---|
| 0 | 01/06/2012 |
| 1 | 04/20/2012 |
| 2 | 07/20/2012 |
| 3 | 12/21/2012 |

BOIL0531-001 01/01/2012

| | Rates | Fringes |
|---|---|---|
| Boilermaker | $ 23.06 | 20.28 |

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* BRTX0005-009 06/01/2012

| | Rates | Fringes |
|---|---|---|
| Bricklayer | $ 19.50 | 1.73 |

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CARP0665-002 05/01/2010

| | Rates | Fringes |
|---|---|---|
| Carpenter | $ 20.18 | 5.56 |

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ENGI0178-004 12/01/2009

| | Rates | Fringes |
|---|---|---|
| OPERATOR: Forklift | $ 21.20 | 9.35 |

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IRON0263-017 06/01/2012

| | Rates | Fringes |
|---|---|---|
| Ironworker, reinforcing | $ 21.85 | 5.40 |

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PAIN0053-003 04/01/2008

| | Rates | Fringes |
|---|---|---|
| Painter - Brush, Roller & Spray | $ 15.81 | 4.56 |

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PLUM0196-003 01/01/2012

| | Rates | Fringes |
|---|---|---|
| PIPEFITTER, Excludes HVAC Unit Installation | $ 23.51 | 8.58 |

PLUM0196-004 01/01/2012

| | Rates | Fringes |
|---|---|---|
| PLUMBER, Includes HVAC Pipe Installation | $ 23.51 | 8.58 |

SHEE0049-008 04/01/2012

| | Rates | Fringes |
|---|---|---|
| Sheet Metal Worker (HVAC Duct Installation Only) | $ 30.60 | 15.24 |

SUTX2009-163 06/03/2009

| | Rates | Fringes |
|---|---|---|
| CEMENT MASON/CONCRETE FINISHER | $ 18.58 | 0.00 |
| ELECTRICIAN, Includes Low Voltage Wiring for Alarms | $ 16.63 | 1.65 |
| IRONWORKER, STRUCTURAL | $ 10.38 | 0.00 |
| LABORER: Common or General | $ 8.97 | 0.00 |
| LABORER: Mason Tender - Brick | $ 11.00 | 0.00 |
| OPERATOR: Backhoe/Excavator | $ 13.81 | 0.00 |
| OPERATOR: Grader/Blade | $ 12.97 | 0.00 |
| OPERATOR: Loader (Front End) | $ 12.23 | 0.00 |
| ROOFER | $ 12.06 | 0.00 |
| TILE SETTER | $ 8.50 | 0.00 |
| TRUCK DRIVER | $ 10.15 | 0.00 |

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is union or non-union.

Union Identifiers

An identifier enclosed in dotted lines beginning with characters other than "SU" denotes that the union classification and rate have found to be prevailing for that classification. Example: PLUM0198-005 07/01/2011. The first four letters , PLUM, indicate the international union and the four-digit number, 0198, that follows indicates the local union number or district council number where applicable , i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2011, following these characters is the effective date of the most current negotiated rate/collective bargaining agreement which would be July 1, 2011 in the above example.

Union prevailing wage rates will be updated to reflect any changes in the collective bargaining agreements governing the rates.

0000/9999: weighted union wage rates will be published annually each January.

Non-Union Identifiers

Classifications listed under an "SU" identifier were derived from survey data by computing average rates and are not union rates; however, the data used in computing these rates may include both union and non-union data. Example: SULA2004-007 5/13/2010. SU indicates the rates are not union majority rates, LA indicates the State of Louisiana; 2004 is the year of the survey; and 007 is an internal number used in producing the wage determination. A 1993 or later date, 5/13/2010, indicates the classifications and rates under that identifier were issued as a General Wage Determination on that date.

Survey wage rates will remain in effect and will not change until a new survey is conducted.

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WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

# T-2

## WAGE RATES GOVERNING OPTION PERIOD 1 OF THE CONTRACT

*[MOD 0162]*

TN170077 MOD 7 LAST MODIFICATION TN77
****THIS WAGE DETERMINATION WAS ACTIVE AS OF THE END OF YEAR****
General Decision Number: TN170077 12/08/2017

Superseded General Decision Number: TN20160077

State: Tennessee

Construction Type: Building

County: Anderson County in Tennessee.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.20 for calendar year 2017 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.20 (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2017. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

| Modification Number | Publication Date |
|---|---|
| 0 | 01/06/2017 |
| 1 | 07/14/2017 |
| 2 | 08/04/2017 |
| 3 | 09/08/2017 |
| 4 | 09/29/2017 |
| 5 | 10/27/2017 |
| 6 | 11/10/2017 |
| 7 | 12/08/2017 |

BOIL0453-003 05/01/2015

| | Rates | Fringes |
|---|---|---|
| BOILERMAKER | $ 25.68 | 18.75 |

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BRTN0005-006 05/01/2017

| | Rates | Fringes |
|---|---|---|
| BRICKLAYER | $ 26.03 | 2.17 |

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CARP0050-002 05/01/2016

| | Rates | Fringes |
|---|---|---|
| CARPENTER (Includes Scaffold Building and Excludes Drywall Hanging) | $ 25.33 | 11.41 |

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ELEC0760-006 06/01/2017

| | Rates | Fringes |
|---|---|---|

ELECTRICIAN (Including
Electrical Installer (Alarms)....$ 24.64 4.25%+9.76

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ENGI0917-016 05/01/2017

| | Rates | Fringes |
|---|---|---|
| Power Equipment Operator | | |
| Backhoe/Trackhoe/Excavator | $ 28.26 | 10.10 |
| Bulldozer | $ 28.26 | 10.10 |
| Crane | $ 28.26 | 10.10 |
| Forklift | $ 25.97 | 10.10 |
| Grader/Blade | $ 25.97 | 10.10 |

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IRON0384-005 05/01/2017

| | Rates | Fringes |
|---|---|---|
| IRONWORKER, STRUCTURAL AND REINFORCING | $ 27.43 | 13.56 |

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LABO0818-001 05/01/2017

| | Rates | Fringes |
|---|---|---|
| Laborers: | | |
| GROUP 1 | $ 19.77 | 6.53 |
| GROUP 2 | $ 20.12 | 6.53 |

GROUP 1: Common or General, Landscaping

GROUP 2: Form Work

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PAIN0437-009 05/01/2015

| | Rates | Fringes |
|---|---|---|
| PAINTER (Including Brush, Roller, Spray and Drywall Finishing/Taper) | $ 26.43 | 10.05 |

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PLAS0078-001 05/01/2015

| | Rates | Fringes |
|---|---|---|
| CEMENT MASON/CONCRETE FINISHER | $ 31.00 | .06 |

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PLUM0102-004 05/01/2016

| | Rates | Fringes |
|---|---|---|
| PIPEFITTER, Includes HVAC Pipe Installation | $ 28.68 | 12.20 |

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PLUM0102-009 05/01/2016

| | Rates | Fringes |
|---|---|---|
| PLUMBER (Excluding HVAC Pipe Installation) | $ 28.68 | 12.20 |

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* SHEE0005-012 05/01/2017

| | Rates | Fringes |
|---|---|---|
| SHEET METAL WORKER (Including Metal Building Erector (Metal Siding/Wall Panel and HVAC Duct Installation (Excluding Metal Roof Installation) | $ 28.56 | 11.99 |

SUTN2009-075 09/21/2009

| | Rates | Fringes |
|---|---|---|
| CARPENTER (Drywall Hanging Only) | $ 13.00 | 0.25 |
| HVAC MECHANIC (Installation of HVAC Unit Only, Excludes Installation of HVAC Pipe and Duct) | $ 12.75 | 1.49 |
| LABORER: Mason Tender - Brick | $ 12.82 | 0.00 |
| LABORER: Roof Tearoff | $ 9.75 | 0.49 |
| OPERATOR: Bobcat/Skid Steer/Skid Loader | $ 17.05 | 0.00 |
| OPERATOR: Mechanic | $ 18.33 | 3.67 |
| OPERATOR: Paver (Asphalt, Aggregate, and Concrete) | $ 13.50 | 0.00 |
| OPERATOR: Roller | $ 13.98 | 0.00 |
| ROOFER: Built up Roof | $ 12.74 | 0.00 |
| ROOFER: Rubber Roof | $ 16.82 | 4.77 |
| ROOFER: Single Ply Roof | $ 16.50 | 0.32 |
| SHEET METAL WORKER (Metal Roofs Installation) | $ 15.64 | 0.00 |
| TILE FINISHER | $ 10.00 | 0.74 |
| TRUCK DRIVER: Dump Truck | $ 12.56 | 0.00 |

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including

preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

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WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
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Washington, DC 20210

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3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

TN170066 MOD 5 LAST MODIFICATION TN66
****THIS WAGE DETERMINATION WAS ACTIVE AS OF THE END OF YEAR****
General Decision Number: TN170066 12/08/2017

Superseded General Decision Number: TN20160066

State: Tennessee

Construction Type: Building

County: Roane County in Tennessee.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.20 for calendar year 2017 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.20 (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2017. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

| Modification Number | Publication Date |
|---|---|
| 0 | 01/06/2017 |
| 1 | 08/04/2017 |
| 2 | 09/08/2017 |
| 3 | 09/29/2017 |
| 4 | 10/27/2017 |
| 5 | 12/08/2017 |

BRTN0005-005 05/01/2017

| | Rates | Fringes |
|---|---|---|
| BRICKLAYER | $ 26.03 | 2.24 |

ELEC0760-009 06/01/2017

| | Rates | Fringes |
|---|---|---|
| ELECTRICIAN | $ 24.64 | 4.25%+9.76 |

ENGI0917-015 05/01/2017

| | Rates | Fringes |
|---|---|---|
| Power Equipment Operator | | |
| Backhoe/Trackhoe/Excavator | $ 28.26 | 10.10 |
| Bulldozer | $ 28.26 | 10.10 |
| Crane | $ 28.26 | 10.10 |
| Forklift | $ 25.97 | 10.10 |

IRON0384-005 05/01/2017

| | Rates | Fringes |
|---|---|---|
| IRONWORKER, STRUCTURAL AND REINFORCING | $ 27.43 | 13.56 |

PAIN0437-006 05/01/2015

| | Rates | Fringes |
|---|---|---|
| PAINTER: Brush, Roller and Spray | $ 26.43 | 10.05 |

PLUM0102-005 05/01/2016

| | Rates | Fringes |
|---|---|---|
| PIPEFITTER | $ 28.68 | 12.20 |

SFTN0669-001 04/01/2016

| | Rates | Fringes |
|---|---|---|
| SPRINKLER FITTER (Fire Sprinklers) | $ 26.05 | 15.77 |

* SHEE0005-015 05/01/2017

| | Rates | Fringes |
|---|---|---|
| SHEET METAL WORKER (Including HVAC Duct Installation) | $ 28.56 | 11.99 |

SUTN2009-064 09/21/2009

| | Rates | Fringes |
|---|---|---|
| ACOUSTICAL CEILING MECHANIC | $ 11.25 | 0.52 |
| CARPENTER, Includes Drywall Hanging (Excludes Acoustical Ceiling Installation) | $ 14.25 | 4.84 |
| CEMENT MASON/CONCRETE FINISHER | $ 11.14 | 1.51 |
| GLAZIER | $ 14.09 | 1.79 |
| HVAC MECHANIC (Installation of HVAC Unit Only, Excludes Installation of HVAC Pipe and Duct) | $ 14.14 | 1.50 |
| LABORER: Common or General | $ 9.00 | 0.00 |
| LABORER: Mason Tender - Brick | $ 12.39 | 0.00 |
| OPERATOR: Grader/Blade | $ 15.05 | 1.42 |
| OPERATOR: Roller | $ 12.00 | 0.00 |

| | | |
|---|---|---|
| PLUMBER | $ 14.91 | 9.22 |
| ROOFER, Includes Rubber, and Shake & Shingle Roofs | $ 15.38 | 0.00 |
| TRUCK DRIVER: Dump Truck | $ 11.37 | 1.50 |

---

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

==========

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

---

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number

where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

---

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter

* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
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2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

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U.S. Department of Labor
200 Constitution Avenue, N.W.
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The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

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==========

END OF GENERAL DECISION

TX170286 MOD 3 LAST MODIFICATION TX286
****THIS WAGE DETERMINATION WAS ACTIVE AS OF THE END OF YEAR****
General Decision Number: TX170286 09/22/2017

Superseded General Decision Number: TX20160286

State: Texas

Construction Type: Building

County: Carson County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.20 for calendar year 2017 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.20 (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2017. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

| Modification Number | Publication Date |
|---|---|
| 0 | 01/06/2017 |
| 1 | 04/14/2017 |
| 2 | 09/08/2017 |
| 3 | 09/22/2017 |

BOIL0074-003 01/01/2017

| | Rates | Fringes |
|---|---|---|
| BOILERMAKER | $ 28.00 | 22.35 |

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CARP0665-001 05/01/2017

| | Rates | Fringes |
|---|---|---|
| CARPENTER | $ 22.25 | 7.31 |

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ELEC0602-007 09/01/2016

| | Rates | Fringes |
|---|---|---|
| ELECTRICIAN (Excludes Low Voltage Wiring and Installation of Alarms) | $ 26.27 | 3%+9.70 |

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ENGI0178-005 06/01/2014

| | Rates | Fringes |
|---|---|---|

| | | |
|---|---|---|
| POWER EQUIPMENT OPERATOR | | |
| (1) Tower Crane | $ 29.00 | 10.60 |
| (2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above | $ 28.75 | 10.60 |
| (3) Hydraulic cranes 59 Tons and under | $ 27.50 | 10.60 |

IRON0084-011 06/01/2017

| | Rates | Fringes |
|---|---|---|
| IRONWORKER, ORNAMENTAL | $ 23.27 | 7.12 |

IRON0263-003 06/01/2017

| | Rates | Fringes |
|---|---|---|
| IRONWORKER, STRUCTURAL | $ 23.25 | 7.32 |

PLUM0404-001 07/01/2016

| | Rates | Fringes |
|---|---|---|
| PLUMBER | $ 25.91 | 9.40 |

* SHEE0049-001 06/01/2017

| | Rates | Fringes |
|---|---|---|
| SHEET METAL WORKER (HVAC Duct Installation Only) | $ 23.93 | 11.66 |

SUTX2014-012 07/21/2014

| | Rates | Fringes |
|---|---|---|
| BRICKLAYER | $ 20.04 | 0.00 |
| CEMENT MASON/CONCRETE FINISHER | $ 19.60 | 0.00 |
| ELECTRICAL INSTALLER (Alarms) (Excludes Wiring) | $ 18.68 | 2.87 |
| ELECTRICIAN (Low Voltage Wiring Only) | $ 15.51 | 3.15 |
| INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation) | $ 19.77 | 7.13 |
| IRONWORKER, REINFORCING | $ 12.27 | 0.00 |
| LABORER: Common or General | $ 12.34 | 0.00 |
| LABORER: Mason Tender - Brick | $ 11.36 | 0.00 |
| LABORER: Mason Tender - Cement/Concrete | $ 10.58 | 0.00 |

| | | |
|---|---|---|
| LABORER: Pipelayer | $ 12.49 | 2.13 |
| LABORER: Roof Tearoff | $ 11.28 | 0.00 |
| OPERATOR: Backhoe/Excavator/Trackhoe | $ 14.25 | 0.00 |
| OPERATOR: Bobcat/Skid Steer/Skid Loader | $ 13.93 | 0.00 |
| OPERATOR: Bulldozer | $ 18.29 | 1.31 |
| OPERATOR: Drill | $ 16.22 | 0.34 |
| OPERATOR: Forklift | $ 14.83 | 0.00 |
| OPERATOR: Grader/Blade | $ 13.37 | 0.00 |
| OPERATOR: Loader | $ 13.55 | 0.94 |
| OPERATOR: Mechanic | $ 17.52 | 3.33 |
| OPERATOR: Paver (Asphalt, Aggregate, and Concrete) | $ 16.03 | 0.00 |
| OPERATOR: Roller | $ 12.70 | 0.00 |
| PAINTER (Brush, Roller and Spray), Excludes Drywall Finishing/Taping | $ 14.27 | 0.00 |
| PAINTER: Drywall Finishing/Taping Only | $ 14.71 | 0.00 |
| ROOFER | $ 13.75 | 0.00 |
| SHEET METAL WORKER, Excludes HVAC Duct Installation | $ 21.13 | 6.53 |
| TILE FINISHER | $ 11.22 | 0.00 |
| TILE SETTER | $ 14.00 | 2.01 |
| TRUCK DRIVER: Dump Truck | $ 12.39 | 1.18 |
| TRUCK DRIVER: Flatbed Truck | $ 19.65 | 8.57 |
| TRUCK DRIVER: Semi-Trailer Truck | $ 12.50 | 0.00 |
| TRUCK DRIVER: Water Truck | $ 12.00 | 4.11 |

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave

for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

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---

WAGE DETERMINATION APPEALS PROCESS

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* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

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U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

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U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

# Annual Fee Baseline Process Framework

# for

# Contract DE-NA0001942

# Clause *B-10 ANNUAL FEE BASELINE APPLICABLE TO PERFORMANCE BEGINNING 01 OCTOBER 2022*

September 30, 2022

Revision 0

# Contents

Annual Fee Baseline Process Framework ..... 3
Purpose ..... 3
AFB Composition and Reconciliation ..... 3
Calculation of Available Fee ..... 4
Update for Enacted Budget ..... 4
Change Control Process ..... 4
Table 1- BCR Approval Levels ..... 5
Figure 1- Change Control for AFB Purposes ..... 6
Figure 2 – Change Control Process Flow Diagram ..... 7
AFB Final Reconciliation and Adjustment ..... 8
Figure 3 - Fee Base and Available Award Fee Calculation Template ..... 8
Acronyms ..... 9

Section J, Appendix U

# Annual Fee Baseline Process Framework

## Purpose:

This document provides a framework outlining the processes and requirements for implementing the Annual Fee Baseline (AFB) pursuant to Contract No. DE-NA0001942 Clause *B-10 ANNUAL FEE BASELINE APPLICABLE TO PERFORMANCE BEGINNING 01 OCTOBER 2022*. The Framework enables the calculation and management of CNS' AFB and resulting Available Award Fee amount by describing the composition and reconciliation of the AFB, definitions thereto, as well as associated exclusions, change control processes, and evaluation of the final AFB at fiscal year-end.

The AFB Process Framework utilizes and builds upon the existing procedures and processes used to administer CNS' Annual Controlled Baseline.[1] The AFB is measured at the program level (e.g., B61-12, W80-4, etc.) by resources category (i.e., labor, material, and other); and is under configuration management and control, with all changes formally documented and accessible to NNSA. The AFB is maintained in a manner consistent with, and reconcilable to, approved work authorizations, funding levels, and any programmatic reporting including EVMS or EVMS-like systems. Changes to the AFB are managed by the CNS Enterprise Procedure E-PROC-3184, *Annual Controlled Baseline Change Control Process,* using a subset of that Change Criteria to administer and submit a quarterly change control log as detailed in the Change Control section below. The AFB along with associated substantiating information to validate the proposed Fee Base and Available Award Fee will be submitted to the Contracting Officer annually by August 15th of the preceding fiscal year unless otherwise agreed to in advance in writing by the Contracting Officer.

## AFB Composition and Reconciliation[2]:

The AFB is presented at the program level using the budget site splits (President's Budget Request [PBR] and subsequent Enacted Budget) and shall include a reconciliation of the budget to the proposed AFB and resulting Available Award Fee amount that clearly identifies all additions to and exclusions from the budget site splits.

Mandatory Exclusions from the AFB include:

(A) Carryover, which is defined as the estimated costs of any work which was included in the AFB of a previous contract period[3];

(B) Estimated costs included in the enacted budget for any work to be performed by a federal entity or DOE/NNSA prime contractor other than Contractor, if applicable. Scope[4] that is

[1] The Annual Controlled Baseline was established and implemented at the start of CNS' contract in 2014 and is governed by CNS Enterprise Strategy Document E-SD 2053, Annual Controlled Baseline. In the context of DE-NA0001942, the Annual Controlled Baseline represents the M&O's planned execution baseline.
[2] *Figure 3 - Fee Base and Available Award Fee Calculation Template* after the AFB Final Reconciliation and Adjustment Section provides an illustrative example of how the AFB is updated throughout the fiscal year.
[3] For the purposes of FY23, this would exclude work included in the FY22 ACB since the AFB begins in FY23.
[4] Scope in this instance entails that portion of the statement of work for which CNS maintains ownership, accountability, and responsibility.

funded in CNS' budget, but is performed by another M&O will be included in the AFB. Funds included on CNS' Approved Funding Process as pass-through costs for Sitewide Requirements will not be included in the AFB;

(C) Estimated costs of Inter-Contractor Purchases placed with CNS by other DOE/NNSA prime contractors or their subcontractors. CNS performs work for other DOE/NNSA prime contractors through the cash work process, which will be excluded from the AFB;

(D) Prefunding or continuity of operations funding intended for execution and costing in a subsequent contract term. If prefunding is provided in a current execution year it will not be reflected in the AFB for that year, but will be added to the AFB for the subsequent contract term as it will have been reduced from the Enacted Budget; and

(E) The cost estimate associated with any scope of work (i.e. Line-Item Construction Projects) for which a separate fee structure is negotiated. These currently include the Uranium Processing Facility (UPF), which is included in the PBR and Enacted Budget, and Strategic Partnership Projects (SPP), which is treated as cash work and is not included in the PBR or Enacted Budget;

(F) That portion of the budget attributable to fee.

## Calculation of Available Fee:

Available Award Fee. Consistent with CNS Contract clause B-10, Available Award Fee shall be calculated by reducing the relevant AFB by an exclusion factor[5] of 11.4%, then applying the applicable[6] award fee rate (AF%) to the resulting value: (AFB)*(1-0.114)*AF%.

## Update for Enacted Budget:

The steps that were used to develop and reconcile the AFB at the beginning of the fiscal year will be reperformed using the Enacted Budget site splits and submitted to the Contracting Officer within 30 days from the day the Enacted Budget site splits are made available. In the event a budget is not enacted during the year, the cumulative budget approved through a Continuing Resolution or series of Continuing Resolutions shall control in its place.

## Change Control Process:

Change Control for the AFB utilizes a subset of the Change Criteria included in CNS Enterprise Procedure E-PROC-3184, *Annual Controlled Baseline Change Control Process.* That E-PROC provides the process for

[5] Calculating pursuant to DEAR 970.1504-1-7

[6] Reference Section B of Contract No. DE-NA0001942 to obtain the applicable award fee rate for each contract line item number (CLIN).

CNS to identify, prepare, review, and internally approve, changes that under this framework will be compiled in a change control log to be submitted quarterly to the Contracting Officer within seven calendar days after the close of the quarter. A Baseline Change Request (BCR) with associated supporting documentation is the mechanism used to maintain and manage AFB changes.

The change criteria for the AFB will only include those changes that are driven by scope changes Directed and Approved by the NNSA Contracting Officer. Changes to work execution that are not associated with changes in the amount or character of the work, such as resources reallocation, will not be considered for changes to the AFB.

Scope/Funding Changes such as:

1. Increases or decreases in work scope
2. Funding changes (Scope driven)

Thresholds/Approval Levels:

The CNS E-PROC has 4 levels of approval for the ACB (see table below). For changes to the AFB, the NPO CO (Level 4) >$5,000K threshold will be used to compile and submit the change control log to the CO on a quarterly cycle. Changes below Level 4 will be excluded from the year-end plus or minus 10 percent threshold for additional AFB adjustment.

Table 1- BCR Approval Levels

| **BCR Approval Levels** | |
|---|---|
| **Approving Authority** | **Threshold** |
| Program/Project Manager/Program Director/Functional Organization Manager (Level 1) | >$500K |
| Change Review Board (Level 2) | $500K - $2,500K |
| CMC Chairperson (Level 3) | $2,500K - $5,000K |
| **NPO CO (Level 4)** | **>$5,000K** |

Figure 1- Change Control for AFB Purposes

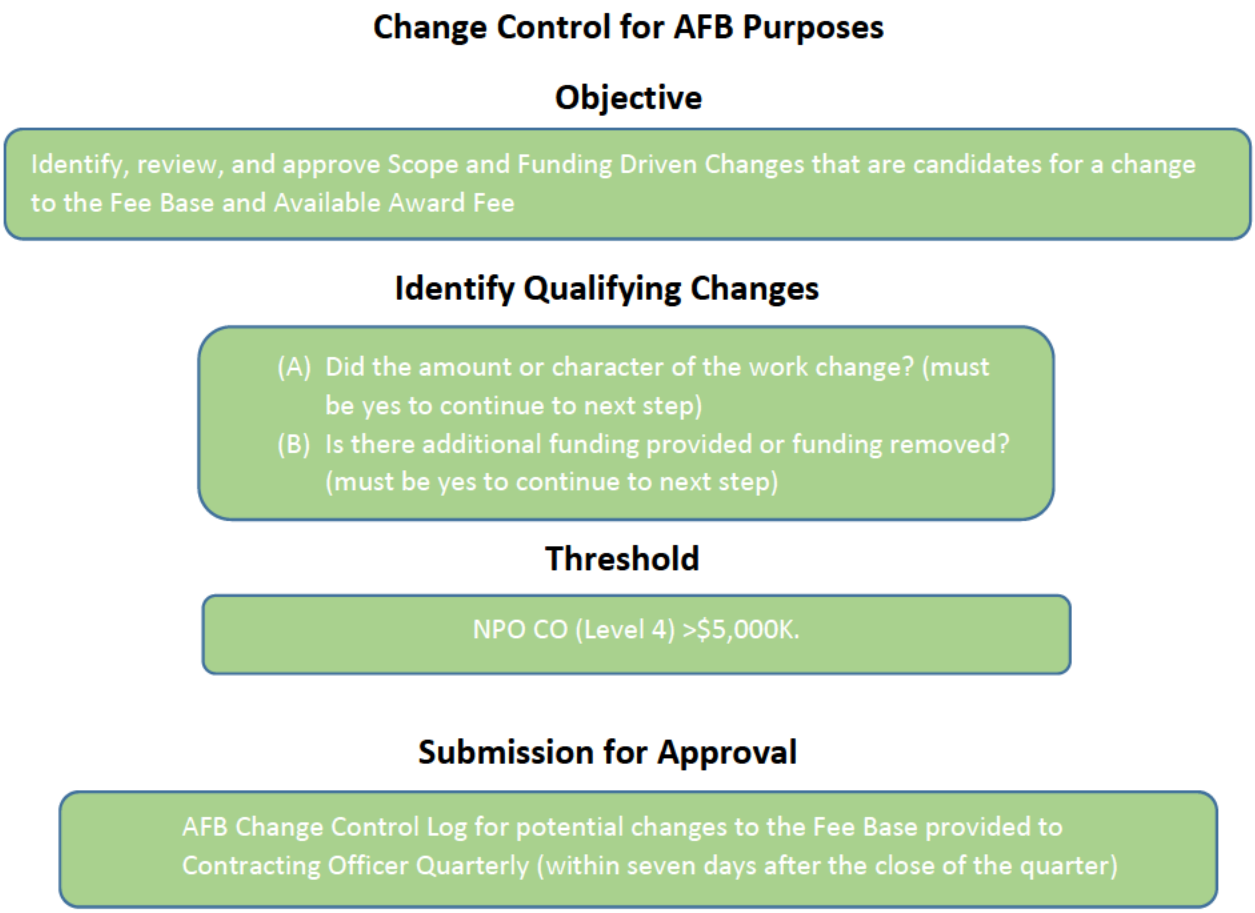
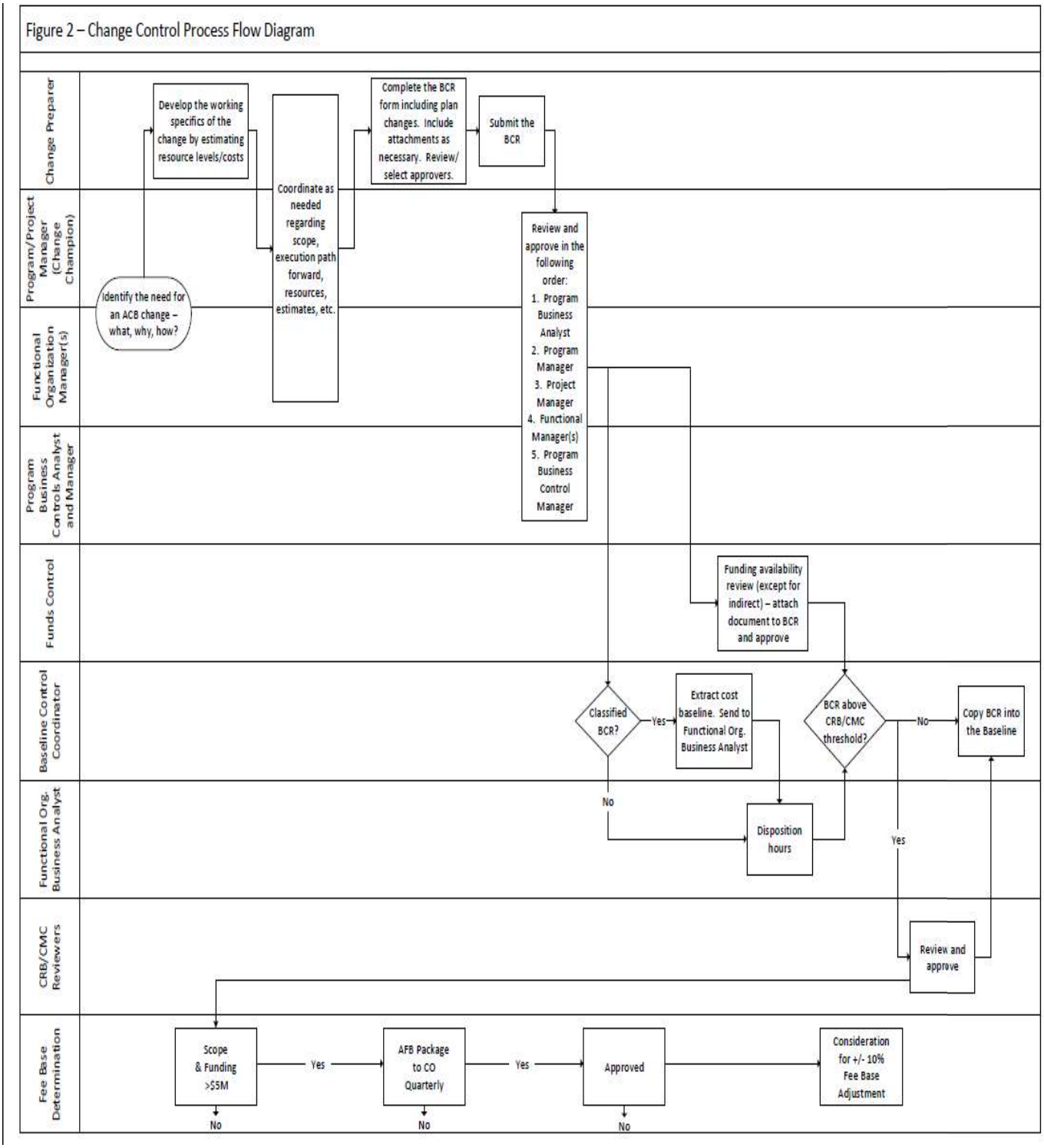


Figure 2 depicts the change control process for the ACB and AFB. The process flow illustrates the existing ACB change procedures and AFB change criteria subset referenced above. The AFB interaction is located in the bottom portion of the process flow.

## Figure 2 – Change Control Process Flow Diagram



## AFB Final Reconciliation and Adjustment:

The Available Award Fee will be adjusted via bilateral modification once each contract period at the time the AFB attributable to current year funding is updated and approved 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 available award fee unless the approved year-end September 30th AFB reflects a plus or minus 10 percent change from the AFB based on the enacted budget. In accordance with the Changes Clause, the 10-percent change threshold shall apply only to material changes in the amount or character of work described in the Statement of Work.

If the year-end AFB reflects a plus or minus 10 percent change as described above, CNS will submit a package with reconciliation support for the Annual AFB Adjustment by October 15 of the subsequent fiscal year unless otherwise approved in advance by the Contracting Officer.

## Figure 3 - Fee Base and Available Award Fee Calculation Template

| | Phase | A | B | C | D | |
|---|---|---|---|---|---|---|
| Step | AFB Reconciliation for Fee Base and Available Award Fee | PBR | Enacted Budget | Change Control | Final ACB | Supporting Documentation and Notes |
| 1 | Budget Value (Site Split) | $ - | $ - | $ - | $ - | Site Split Table |
| 2 | Less Carryover if included in the PBR or Enacted Budget (unlikely) | $ - | $ - | $ - | $ - | Site Split Table |
| 3 | Plus Prior Year (PY) Prefunding & Continuing Ops Funding (PY funding planned for current year (CY) execution) | $ - | $ - | $ - | $ - | Funds Report to be developed |
| 4 | Less CY Prefunding & Continuing Ops Funding (CY funding planned for future year execution) | | | | | Funds Report to be developed |
| 5 | Less CY Budget for Work Performed by another Prime Contractor or Federal Agency (funding passthrough portion, if applicable) | $ - | $ - | $ - | $ - | Sitewide Requirements Report |
| 6 | Less Inter-Contractor Purchases placed with CNS by other DOE/NNSA contractors if included in the PBR or Enacted Budget (unlikely) | $ - | $ - | $ - | $ - | ICPs for CNS are treated as cash work and not in the PBR or Enacted Budget |
| 7 | Less Budget Attributable to Capital Projects with a Separate Fee Structure (e.g. UPF) | $ - | $ - | $ - | $ - | Site Split Table |
| 8 | Changes to Scope using Change Control Process | $ - | $ - | $ - | $ - | Change Control packages for Fee Base changes approved by the CO |
| 9 | Subtotal Budget Value less Reconciling Items (sum of 1 through 8) | $ - | $ - | $ - | $ - | Subtotal Step 9 = Total Net Cost with Fee included |
| 10 | M&O Budgeted Total Net Cost = AFB (this step applies the fee deduction formula to the subtotal to deduct the portion of the budget attributable to fee) | $ - | $ - | $ - | $ - | Subtotal Step 10 = Subtotal Step 9/(((1-.114)*AF%)+1) |
| 11 | M&O Estimated Fee Base (this step applies the fee exclusion rate to deduct the 11.4% exclusion rate) | $ - | $ - | $ - | $ - | Subtotal Step 11 = Subtotal Step 10*(1-.114) |
| 12 | Available Award Fee | $ - | $ - | $ - | $ - | |
| Inputs | Award Fee Rate (AF%) per Contract Section B Applicable CLIN | AF% | AF% | AF% | AF% | |
| | Exclusion Rate (DEAR Fee exclusions) | 11.40% | 11.40% | 11.40% | 11.40% | |

**Phases of AFB Reconciliation and Calculation**

A Initial AFB based on PBR - present reconciliation adjustments to include detailed comments and substatiated by supporting documentation.

B Mandatory Adjustment to Refresh Based on Enacted Budget - present reconciliation adjustments to include detailed comments substantiated by supporting documentation.

C Further Adjustment subject to Change Control - change control packages, for scope funded by additional budget or carryover not included in a prior year fee base, as approved by the CO.

D Final AFB for Determination if +/- 10% change from Enacted Budget ACB.

## Acronyms:

| Acronym | Term |
|---|---|
| AFB | Annual Fee Baseline |
| ACB | Annual Controlled Baseline |
| CMC | Change Management Council |
| CNS | Consolidated Nuclear Security |
| CO | Contracting Officer |
| CRB | Change Review Board |
| NNSA | National Nuclear Security Administration |
| NPO | NNSA Production Office |
| PBR | President's Budget Request |
| SPP | Strategic Partnership Projects |
| UPF | Uranium Processing Facility |