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**I. INTRODUCTION**

- A. This plan establishes company policy to ensure that Bechtel BWXT Idaho, LLC (BBWI or the Contractor), its affiliates and its employees (1) are not biased in the performance of the Department of Energy Management and Operating (M&O) DE-AC07-99ID13727 (the Contract) for the Idaho National Engineering and Environmental Laboratory (INEEL) because of financial, contractual, organizational, or other interests, and (2) do not obtain any unfair competitive advantage over other parties by virtue of or arising out of performance of the Contract. This Plan applies to both employee conflicts of interest (COI) and organizational conflicts of interest (OCI) which are collectively referred to as "COI" in this Plan.
- B. BBWI is committed to conducting its entire operation in a manner that is free from COI, and in the best interests of the Government and the Department of Energy. It is not the intent or purpose of BBWI to benefit its Members and affiliates beyond the normal flow of benefits from performance of the Contract. BBWI's Members are:
- Bechtel National, Inc.  
BWX Technologies, Inc.  
Inland Northwest Research Alliance, Inc.
- C. Consistent with the requirements of the INEEL Standards of Conduct & Business Ethics (see III.D, below), this COI Compliance Plan recognizes that *personal integrity of the Contractor's employees, with appropriate review and oversight by Contractor management, forms the basis for the success of the program.*
- D. The following are examples of situations that could result in actual or potential COI in the performance of the Contract for DOE (the term "Contractor" as used in this section refers to BBWI, its members and/or affiliates, as the context may require):
1. Participation by the Contractor, in contracts, subcontracts, or proposals (including, but not limited to, solicited and unsolicited proposals and proposals for university research at INEEL) which relate to the Contractor's performance of work under the Contract;
  2. Analyzing, reviewing, or making recommendations regarding the work of either the BBWI, its members or their affiliates ;
  3. Preparing and furnishing specifications or work statements that are to be used in competitive acquisitions for furnishing products or services where BBWI, its Members, or their affiliates, are likely to compete;
  4. Preparation of detailed plans for specific approaches or methodologies that are to be incorporated in a competitive acquisition where BBWI, its Members, or their affiliates, are likely to compete;
  5. Use of internal information not available to the public concerning DOE plans or programs and related opinions, clarifications, interpretations, and positions for the financial gain of the Contractor;

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6. Use of proprietary information provided by third parties in a manner that is inconsistent with the limitations under which such information was provided to the Contractor;
  7. Evaluation of the Contractor's, or its affiliates', products or services, or the products or services of third party, where the contractor is or has been substantially involved in the development or marketing of such third party products or services;
  8. Preparation of advice to DOE in a technical area where BBWI, its Members, or their affiliates, are also providing consulting assistance in the same area to any other organization whose interests may be adverse to those of DOE;
  9. Negotiation of agreements on behalf of the Contractor while contemplating acceptance of an employment offer from the other party;
  10. Influencing a decision to fund a program that will require services from a supplier in which a Contractor employee, or a close relative of a Contractor employee, has a financial interest.
- E. The exercise of common sense, good judgment, and sound discretion is required in both the decision concerning whether a significant potential conflict exists and, if it does, the development of an appropriate means for resolving it.

II. PURPOSE

The overall purpose of the COI Compliance Plan is to demonstrate how the Contractor will assure that its operations are free from COI arising out of the performance of the Contract, and that identified conflicts are effectively mitigated. Specifically, the Plan establishes controls and reporting mechanisms in accordance with Section H.8 of the Contract that:

- A. Assure DOE that BBWI assigns a high priority to the identification, reporting, and avoidance or mitigation of actual or potential COI.
- B. Protect proprietary data arising out of, or obtained in the performance of the Contract, including that of third parties, with the same degree of care and concern that BBWI affords its own proprietary data.

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**III. POLICY**

The INEEL Standards of Conduct & Business Ethics sets forth BBWI's policy requiring adherence to the highest standards of business ethics and maintenance of a work force that is indoctrinated in and dedicated to the highest standards of personal ethics. It states:

*"It is the policy of BBWI to conduct its business with honesty and integrity and in strict compliance with applicable laws, rules, and regulations of the places where it does business. BBWI is strongly committed to the highest standards of ethical conduct in every aspect of its dealings with its constituencies - employees, customers, communities, suppliers, and stockholders - and will rigorously enforce compliance with its policies and procedures.*

*In furtherance of this policy, all employees at all levels will adhere to the policies and procedures of BBWI and will conduct business affairs within both the letter and the spirit of the law. BBWI will not condone conduct by any employee in the course of doing any business that violates any law, regulation, policy or procedure, or the Code of Ethics and Business Conduct.*

It is also BBWI's policy to foster a free and open atmosphere that allows and encourages employees to make inquiries, express work-related personal concerns regarding ethics issues, or to report business ethics violations or violations of law, regulations, policies or procedures without fear of retribution or retaliation for making such reports or inquiries".

Employees of BBWI, its Members, and their affiliates will abide by these high ethical standards and will comply with the laws and regulations relating to the receipt and use of Government planning information and proprietary data owned by third parties. It is the obligation of Contractor management, from the President and General Manager through all levels of supervision, to understand the basic principles and specific policies that govern the company in the performance of its work for the Department of Energy and to see that such policies are understood and followed by its employees. Contractor actions and decisions will be based on what is in the best interest of the government rather than on conflicting interests of the BBWI, its members or affiliates, or the personal interests of individual employees.

**IV. IMPLEMENTATION**

This plan is applicable to BBWI, its Members, their affiliates, and employees of all these entities, including personnel providing services to BBWI through inter-company work transfers, secondment or Off-Project-Work-Requests. The requirements of this plan are also to be implemented with subcontractors and consultants through appropriate procurement actions.

A. The requirements for this Plan are drawn from the following sources:

- 48 CFR 970
- 48 CFR 209.72 (Alt.1)
- DEAR 970.905
- DEAR 970.909.5
- DOE Contract DE-AC07-99ID13727,

and categorized as follows:

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- 1.0 Assure that the company's decisions in all areas of contract performance with emphasis on the following are made based on the best interest of the government and not on the basis of conflicting interests of BBWI, its members or affiliates or personal interests of individual employees:
  - 1.1 Program direction.
  - 1.2 Acquisition of goods and services.
  - 1.3 Licensing of intellectual property.
  - 1.4 Related functions.
  
- 2.0 Assure that BBWI, its members and affiliates do not gain an unfair competitive advantage as a result of decisions made or work performed under the Contract in order to assure:
  - 2.1 Maximum effectiveness in contract performance.
  - 2.2 Information needing protection is not improperly disclosed.
  - 2.3 Assistance and advice to the DOE is rendered impartially and objectively.
  - 2.4 Decisions are made impartially and objectively..
  
- 3.0 Implement a Compliance Plan through a set of procedures under a Management Control Procedure (MCP) that includes the following components:
  - 3.1 Procedures that identify and evaluate potential COI of past, present and anticipated contracts or business arrangements of the contractor and its related entities.
  - 3.2 Procedures to identify employee COI.
  - 3.3 Procedures to develop plans to avoid or mitigate potential COI and criteria for seeking DOE approval of plans.
  - 3.4 Procedures to oversee implement and update the COI Compliance Plan.
  - 3.5 Procedures for ensuring that all subcontractors' COI disclosures are timely and, when needed, submitted to DOE.
  - 3.6 Procedures for protecting information from improper disclosure
  - 3.7 Procedures for COI training.
  - 3.8 Disciplinary mechanisms for violation of COI policies and procedures.
  - 3.9 Examples of commonly found COI in high risk areas such as procurement, technology transfer, and corporate interface.

B. Major elements of Plan:

- 1. Identification and reporting of actual or potential COI,
- 2. Avoidance or mitigation of COI and
- 3. Education and implementation.

C. To assure that COI does not adversely impact the performance of the Contract, BBWI will:

- 1. Identify and report to the Contracting Officer (or her designee) actual or potential COI,
- 2. Avoid or mitigate COI, and

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3. Educate and indoctrinate BBWI employees and managers concerning COI identification, and avoidance or mitigation.

D. Management Control Procedures and Standards:

The applicable Management Control Procedure (MCP) is MCP-140. This MCP provides specific detailed guidance and procedures concerning the above requirements, and will be used to *implement* this Compliance Plan.

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V. RESPONSIBILITIES

- A. The BBWI Laboratory Director & Deputy General Manager for Research and Development (Laboratory Director) has primary responsibility for the implementation of this plan for BBWI. Working with the Board of Managers, the Laboratory Director will assure that the COI Compliance Plan is effectively implemented within BBWI's Members and their affiliates. To this end, a COI Coordinator is appointed to carry out the implementation of the Plan, and a COI Policy Committee is chartered to make policy and oversee the process.
- B. BBWI's Conflict of Interest Coordinator (COI Coordinator) reports to the Laboratory Director and will be responsible for implementing the provisions of this plan and assuring the proper conduct and coordination of every function related to the COI program, including the COI Compliance Committee. The COI Coordinator will:
1. Initiate all notifications regarding potential COI to BBWI Members and their appropriate affiliates through their respective Managers as required by this Plan.
  2. Establish and maintain all procedures, records, documentation, and data in accordance with the provisions of the plan and notify DOE-ID of prospective changes to the foregoing documents, obtaining DOE concurrence where applicable.
  3. Maintain the BBWI COI Compliance Plan, with any amendments or updates, review the plan annually to assure it meets all current requirements and is achieving its objectives.
  4. Ensure that effective orientation, training, and communications programs are established to educate and maintain the commitment of all employees to the highest standards of COI avoidance.
  5. Keep the Laboratory Director informed of the current status of all potential COI issues.
  6. Ensure that all representations and certifications regarding COI required by DOE are made and updated as required.
- C. The COI Compliance Committee provides oversight and policy guidance for the BBWI COI Compliance Plan. The Committee reviews the COI practices of BBWI and its Members that have a potential impact on performance of the Contract. The Committee reviews information received regarding past, present, and anticipated business activities of Members and their affiliates for to assure compliance with this plan. The Committee will determine actions that may be required by BBWI or its Members to eliminate actual or potential COI, or it will direct the COI Coordinator to prepare appropriate mitigation, neutralization or avoidance plans for submission to DOE. Meetings of the Committee will be held at least quarterly. The COI Compliance Committee will include the Laboratory Director, the Managing Counsel, the Chief Financial Officer, the Director of Human Resources, and the Director of Procurement.
- D. The Director of Human Resources will:

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1. Assure that all new employees of BBWI receive training, execute a nondisclosure agreement consistent with the requirements of this Plan, and acknowledge that they have read and understand the documents set forth under Section VIII, Education and Implementation.
2. Assure that each employee's file contains the original or a copy of such agreements and acknowledgements.
3. Ensure that implementation of the COI program is taken into account in evaluating the performance of company supervision and management.

E. The Director of Procurement will:

1. Assure that approved COI avoidance procedures are followed in each procurement action.
2. Assure nondisclosure agreements are executed by employees of subcontractors who will have access to agency or company proprietary or sensitive or information, including agency planning information and information that DOE or BBWI or the subcontractor is under an obligation to protect from disclosure.
3. Maintain a database of all subcontracts or other agreements, including CRADAs with BBWI's Members and their affiliates and subcontracts with third parties for consulting or advisory services.

VI. IDENTIFICATION AND REPORTING OF POTENTIAL CONFLICTS OF INTEREST

- A. Each BBWI employee is responsible to report to his or her supervisors or the COI Coordinator any fact that could indicate the existence of an actual or potential COI. BBWI's ethics hot line, manager open door policies and other practices insuring that employees can raise concerns at any level in the organization without fear of reprisal are also available for this purpose.
- B. Each department manager independently review the potential for COI in his or her area of responsibility. The review will be thorough and impartial so that an accurate report of any actual or potential COI may be made. If a potential COI is identified, the department manager will immediately discuss the potential COI with the COI Coordinator. The COI Coordinator will make an initial determination whether further inquiry is required.
- C. If BBWI's COI Coordinator makes an initial determination that a specific matter presents an actual or potential COI for which there is no existing procedure or precedent, the COI Coordinator will inform the Laboratory Director of the COI and will recommend means to avoid, mitigate or neutralize the COI. Based on the foregoing, the Laboratory Director shall make a final determination concerning appropriate steps for avoidance, mitigation and neutralization. In appropriate cases, the COI Coordinator will provide the foregoing determination to the Contracting Officer or his/her designee within one working day after the foregoing determination has been made.

VII. AVOIDANCE OR MITIGATION OF COI

- A. On an annual basis, the BBWI Board of Managers will make an internal affirmation that the business affairs of BBWI have been carried out in accordance with the INEEL Standards of Conduct & Business Ethics, consistent with the obligations of this COI Compliance Plan.

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- B. Except as specifically permitted by BBWI's M&O Contract, BBWI's Members, their employees and affiliates will not:
1. Seek non-public information regarding potential solicitations to be issued by BBWI for goods and services.
  2. Direct and control the areas of technology to be pursued by BBWI except to the extent that (a) such interaction is required by Clause H.33, Business Cooperation; or (b) such work is performed under Corporate Funded Research and Development (CFRD) projects pursuant to appropriate technology transfer mechanisms such as CRADAs, Work For Others, and cooperative agreements, authorized pursuant to Clause I.43 of the Contract.
- C. Once an actual or potential conflict of interest has been identified, the conflict will be eliminated, avoided, or mitigated utilizing one or more of a number of possible solutions. Where no approved procedure or precedent exists, the COI Coordinator will assist the cognizant manager, who is responsible for the preparation of a COI Avoidance and Mitigation Plan, documenting agreements of the Laboratory Director and the Contracting Officer, for each such actual or potential COI. The COI Coordinator will be responsible for monitoring of BBWI's compliance with existing Mitigation and Avoidance Plans. **(Mod M081, 07/18/2003)**

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VIII. EDUCATION AND IMPLEMENTATION

- A. As referenced in MCP-140, BBWI will conduct an aggressive employee education program to ensure awareness of the policies and procedures governing the behavior of all employees, as it relates to COI issues.

This education program will include:

1. An initial orientation upon employment at the INEEL. This orientation will include familiarization with the principles contained in this plan. In addition, employees will be advised of the requirement to obtain approval of outside activities such as secondary employment, serving on boards of directors, running for political office, etc.
2. An annual reaffirmation of awareness during performance appraisals.
3. Creation of an intranet Web page dedicated to COI and incorporation of links to that page from the INEEL Home page, Ethics page, Legal, and HR page.

B. All newly hired BBWI employees will:

1. Receive training regarding the requirements of this COI Compliance Plan and be directed to MCP-140 for further guidance.
2. Receive a copy of the ethics handbook and acknowledge that the employee is responsible for knowing and adhering to its principles and standards of conduct.
3. Read and sign a nondisclosure agreement providing for non-disclosure of specified types of information.
4. Sign a form to be retained in their personnel files acknowledging that they have read and understand the BBWI Policy Statement, "Conflict of Interest."

C. Employees will be disciplined for failure to follow the requirements of this plan and associated procedures. Following an investigation and assessment of the violation, appropriate disciplinary actions will be taken in accordance with procedures for employee discipline.

D. Employees will be informed that disclosure of Government or third party proprietary data may involve violation of Federal laws and regulations and could result in dismissal from BBWI.

E. Appropriate COI avoidance procedures will be incorporated into procurement actions.

IX. PERFORMANCE MEASURES

BBWI will identify appropriate performance measures and implement a data gathering system capable of reporting on an ad-hoc basis any combination of desired metrics. These performance measures will be identified by January 28, 2000 and reporting will be available from March 30, 2000 on.

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At a minimum, the following data will be part of the report:

- A. Number of inquiries
- B. Number of COI cases undertaken
- C. Number of COI cases resolved
- D. Nature and frequency of inquiries
- E. Organizations with highest incidence of COI

These data can be used to tailor the training to the specific needs of those organizations and improve the effectiveness of the COI Program.