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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT                                                                                                                                               |                                    | 1. CONTRACT ID CODE                                                                                                                                                      | PAGE OF PAGES<br>1 1                   |
| 2. AMENDMENT/MODIFICATION NO.<br>0281                                                                                                                                                            | 3. EFFECTIVE DATE<br>See Block 16C | 4. REQUISITION/PURCHASE REQ. NO.                                                                                                                                         | 5. PROJECT NO. (If applicable)         |
| 6. ISSUED BY<br>Idaho Operations<br>U.S. Department of Energy<br>Idaho Operations<br>1955 Fremont Avenue<br>Idaho Falls ID 83415                                                                 | CODE<br>00701                      | 7. ADMINISTERED BY (If other than Item 6)<br>Idaho Operations<br>U.S. Department of Energy<br>Idaho Operations<br>1955 Fremont Avenue<br>MS 1221<br>Idaho Falls ID 83415 | CODE<br>00701                          |
| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)<br>CH2M WG IDAHO LLC<br>Attn: Jeffrey A. Kerridge<br>151 NORTH RIDGE AVENUE<br>SUITE 150<br>IDAHO FALLS ID 834024039 |                                    | (x) 9A. AMENDMENT OF SOLICITATION NO.                                                                                                                                    | 9B. DATED (SEE ITEM 11)                |
| CODE 166527569 FACILITY CODE                                                                                                                                                                     |                                    | x 10A. MODIFICATION OF CONTRACT/ORDER NO.<br>DE-AC07-05ID14516                                                                                                           | 10B. DATED (SEE ITEM 13)<br>03/23/2005 |

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

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

12. ACCOUNTING AND APPROPRIATION DATA (If required)

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

|           |                                                                                                                                                                                                                       |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CHECK ONE | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.                                                                      |
|           | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). |
|           | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:                                                                                                                                              |
| X         | D. OTHER (Specify type of modification and authority)<br>Clause I.81 52.243-2 Changes - Cost Reimbursement (AUG 1987) & Alt I (APR 1984)                                                                              |

E. IMPORTANT: Contractor  is not.  is required to sign this document and return 1 copies to the issuing office.

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

Tax ID Number: 05-0607601

DUNS Number: 166527569

Refer to the continuation pages incorporated as part of this modification.

Payment:

OR for Idaho

U.S. Department of Energy

Oak Ridge Financial Service Center

P.O. Box 4368

Oak Ridge TN 37831

Period of Performance: 03/23/2005 to 09/30/2015

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

|                                                                                                |                                                                                          |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 15A. NAME AND TITLE OF SIGNER (Type or print)<br>Jeffrey Kerridge CFO                          | 15B. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)<br>Maria M. Mitchell-Williams |
| 15B. CONTRACTOR/OFFEROR<br>Jeffrey Kerridge<br><i>(Signature of person authorized to sign)</i> | 15C. DATE SIGNED<br>8/18/14                                                              |
| 15B. UNITED STATES OF AMERICA<br><i>(Signature of Contracting Officer)</i>                     | 15C. DATE SIGNED<br>8/18/14                                                              |

This modification provides a CLIN C – Balance of ICP target cost and target fee increase for the directed change associated with incorporating the requirements of OHSS Operating Experience (OE) Bulletin (Level 1) OE-1:2013-01; preparation and grouting of MFC-767; MFC D&D scope for FY15; and a deductive change to remove scope from Section C.8.4.5.2 Characterization and Disposal of Buried Waste. The modification also definitizes work scope under Section B.16 Extension Items Not Included in Target Cost. Lastly, this modification includes other administrative changes that are detailed below.

**1. B.14 EXTENSION - TOTAL CONTRACT TARGET COST, FEE, AND COMPLETION DATE** paragraph (c) is modified as follows:

- (c) CLIN C – Balance of ICP: The total contract target cost and target fee are based on a period of performance from October 1, 2012, through September 30, 2015.

The target cost is increased by \$5,031,534 from \$493,635,321 to \$498,666,855.

The target fee is increased by \$370,322 from \$36,331,559 to \$36,701,881.

**2. B.15 EXTENSION INCENTIVE FEE** paragraph (c) is modified as follows:

- (c) CLIN C – For the balance of the ICP work scope, the following cost incentive structure is established for a period of performance from October 1, 2012 through September 30, 2015.

Cost Incentive

Target Cost: \$498,666,855

Target Fee: \$36,701,881 (7.36% of target cost)

Maximum Fee: \$74,800,028 (Maximum Fee must not exceed 15% of target cost)

Minimum Fee: \$0.00

Fee Calculation: The fee payable under this contract shall be the target fee increased by thirty (30) cents for every dollar that the total allowable cost is less than the target cost or decreased by thirty (30) cents for every dollar that the total allowable cost exceeds the target cost as specified in FAR 52.216-10 and subject to the maximum fee limitation above for work performed under Section C.8. If there is a fee reduction as a result of failure to meet identified milestones in CLIN A (Refer to B.15(a) above), it will be accomplished by fee reduction in this CLIN C.

**3. DOE O 151.1C** is supplemented as follows:

This modification incorporates Office of Health, Safety and Security (HSS) Operating Experience (OE) Bulletin (Level 1) OE-1:2013-01. The OE Bulletin has two required actions: 1) Evaluation of Emergency management Programs, and 2) Evaluation of Beyond Design Basis Accidents at facilities with the potential for an unmitigated accident release of greater than 25 rem to the public.

The target cost is increased by \$188,628 and the target fee is increased by \$13,883. This is direct cost only.

The remainder of DOE O 151.1C remains unchanged.

**4. C.8.3.4 MFC D&D (ID-0014B-.05)** is modified to include the following:

The Contractor shall perform the grouting activities for the Materials and Fuels Complex (MFC) 767. This work scope includes the following activities:

- A. Complete engineering analysis, sketches, and work steps in support of demolition of MFC-767.
- B. Prepare analysis, work steps, and work orders to facilitate grouting of MFC-767 below grade spaces. Perform necessary preparations for grouting such as construction of separation walls, cutting openings to provide access to non-accessible areas, removal of electrical components and equipment, etc.
- C. Grout MFC-767 below grade spaces.

This scope shall be completed by September 30, 2015.

The target cost is increased by \$1,561,481 and the target fee is increased by \$114,925. This is direct cost only.

The remainder of Section C.8.3.4 remains unchanged.

**5. C.8.3.4 MFC D&D (ID-0014B-.05)** is further modified to include the following FY15 scope:

The Contractor shall perform sodium treatment and disposition work for the Materials and Fuels Complex (MFC) 766. This work scope includes the following activities:

- A. Treat the sodium recovered from piping that was removed from MFC-766 in FY 2014 and remove the bulk treatment system upon completion of treatment.
- B. Complete installation of a wet vapor N<sub>2</sub>/steam system to treat in-situ the sodium and bicarbonate contained in the MFC-766 super heaters and evaporators which was not previously removed.
- C. Treat the sodium and bicarbonate contained in the MFC-766 super heaters and evaporators.
- D. Provide infrastructure support including: control account management, regulatory, project control, safety and health, administrative support, training and facility/operations management, procurement of materials and services.

E. Maintain RCRA compliance and performance surveillance and maintenance.

Upon completion of the above proposed work scope, MFC-766 will have all of its sodium piping removed, bulk sodium extracted from the piping will have been treated, and the remaining sodium and caustic residue located in the super heaters and heat exchangers will have been treated. MFC-766 will be ready for final deactivation and demolition. This scope shall be completed by September 30, 2015.

The target cost is increased by \$5,305,338 and the target fee is increased by \$390,473. This is direct cost only.

The remainder of Section C.8.3.4 remains unchanged.

**6. Section C.8.4.5.2 CHARACTERIZATION AND DISPOSAL OF BURIED WASTE (ID-0030B.03)** is modified per the following:

The following requirement is removed from the scope:  
“The Contractor shall be responsible for coordinating the delivery and shipment dates with the AMWTP contractor for appropriate cost, as negotiated between the contractors.”

The target cost is decreased by (\$2,023,913) and the target fee is decreased by (\$148,959). This is direct cost only.

The remainder of Section C.8.4.5.2 remains unchanged.

**7. SECTION B.16 EXTENSION - ITEMS NOT INCLUDED IN TARGET COST**, is modified as follows:

**Activity (a.3) – Swapping Fuel Item in MPS** is added as follows:

Swap fuel item in an MPS sleeve. While taking the current piece of fuel out of the sleeve, use a gage to take measurements then put the fuel piece back into a bucket. Followed by taking a different fuel piece from the bucket and place it back into the sleeve. The estimated cost is \$158,051 and fixed fee is \$10,534.

**Activity (a.4) – Navy Fuel Transfer Clean Fuel Modules** is added as follows:

The scope of the work to be performed is the use of the underwater pressure washer while preparing Phase 4 group 2A and 2B fuel items for placement into sleeves during FY 2014. The pressure washer is used to remove material that was on the fuel items in the buckets that came to CPP-666 from the CPP-603 fuel storage basins. The estimated cost is \$13,442 and fixed fee is \$989.

**Activity (a.5) – NNPP Weigh Cluster** is added as follows:

Scope to be performed: Weigh the longest S3G-1 fuel cluster-TPR revision, Lift Plan. The estimated cost is \$4,054 and fixed fee is \$267.

**Activity (a.6) – NNPP Measure 900-6 Baskets** is added as follows:

Scope to be performed: Measure the length of all eight BU-FS-900-6 buckets. The estimated cost is \$2,461 and fixed fee is \$162.

**Activity (h.2) – Small Dollar (Proposal) WIPP Storage Facilities** is added as follows:

Proposal Cost for WIPP Storage Facilities, estimated cost is \$24,281 and fixed fee is \$879.

**Activity (i) – Analysis of CPP-603 for NE Use:**

**Task 1:**

Cost proposal for Task 2A and 2B. The estimated cost is \$9,101 and fixed fee is \$326.

**Task 2A:**

The Contractor shall validate the assumption that a large storage cask can be transferred into and out of the CPP-603 IFSF fuel handling cave (FHC) using the transfer car. The estimated cost is \$104,195 and fixed fee is \$5,163.

**Task 2B:**

The Contractor shall fabricate a cask mockup and the transfer car interface that are necessary to validate that the TN32B and HI-STAR 100 casks can be transferred into the IFSF fuel handling cave.. The estimated cost is \$150,141 and fixed fee is \$8,360.

**Task 2C:**

The Contractor shall devise a process to move the mockup cask into the CPP-603 fuel handling cave. The process shall include the use of the same equipment and cask handling processes as that would be used for a regular cask in CPP-603. The estimated cost is \$8,528 and fixed fee is \$563.

**Activity (j) – Facility Enhancement (Interim Measures) Ft. St. Vrain** is added as follows:

The scope of work shall be completed in accordance with DOE-ID letter AS-CMD-ICP/CWI-14-059 (CCN 316624). The scope description is classified. The estimated cost is \$3,218,192 and fixed fee is \$181,807.

**Activity (k) – Portsmouth Conceptual/Mathematical Modeling Support** is added as follows:

The Contractor shall provide 100 hours of conceptual/mathematical modeling support to the LFRG review of the FY 2014 Portsmouth On-Site Waste Disposal Facility. This scope includes travel expenses for on-site portion of the review. The estimated costs if \$16,906 and fixed fee is \$1,127.

The B.16 table is attached to this modification. No other changes.

**8. H.5 Responsible Corporate Official** is changed to the following:

Name: Christopher P. Shea  
Position: Global Market President Environmental and Nuclear  
Company/Organization: CH2M Hill, Inc.  
Address: 9191 South Jamaica Street, Englewood CO 80112  
Phone: 720/286/3136  
E-Mail: [chris.shea@ch2m.com](mailto:chris.shea@ch2m.com)

**9. H.21 WORKFORCE TRANSITION AND HUMAN RESOURCES MANAGEMENT** is deleted in entirety and replaced with the following:

(a) **HIRING OF INCUMBENT CONTRACTOR EMPLOYEES**

As set forth herein, the ICP contractor shall offer employment to employees of the incumbent contractor by the contract takeover date. This requirement, which excludes incumbent contractor senior management (top two levels of the *Idaho Completion Project* organization chart, approximately 46 managers), applies to employees in good standing (i.e., not subject to/involvement in the process of discharge for cause) on the regular payroll as of the contract award date. Except where constrained by collective bargaining agreements, the ICP contractor is free to continue utilizing these personnel in their current capacity or to assign them to other types of work. Any costs associated with “sign-on” bonuses paid as employment inducements to employees of BBWI or BBWI’s teaming partners are unallowable.

(1) Direct Employees

By the contract takeover date, the ICP contractor shall offer employment to the BBWI employees (approximately 2,089) who have not been hired by that time by the INL contractor. These employees currently charge their labor directly to the incumbent contractor’s *Idaho Completion Project* at an estimated annual cost of \$193,616,000 based on FY 2004 labor costs. Of the 2,089 employees, approximately 1,362 are assigned to the project organization; approximately 408 employees are dedicated to the project from matrix organizations; and the remaining 319 direct charge to the project on an ad hoc basis.

(2) Overhead Employees

In addition to (1) above, by the contract takeover date, the ICP contractor shall also offer employment to the BBWI overhead employees (approximately 540) who have not been hired by that time by the INL contractor. This represents 58% of the total number of original incumbent overhead employees who provided landlord services as described in Exhibit C.4-2. However, the ICP contractor and the INL contractor may mutually agree to changes, provided DOE approves the changes. Changes may be proposed at any time after contract award. The number of employees is subject to change, depending on employment levels for these services at the time of contract takeover. Salary and benefits costs for these employees are approximately \$43,850,000 annually based on FY 2004 labor costs. Non-labor costs associated with the services of these 540 employees, based on FY 2004 estimates, are approximately \$27,308,000 annually.

(b) **EMPLOYEE COMPENSATION: PAY AND BENEFITS**

- (1) Except as otherwise provided in Section H.21(c)(4), employees of BBWI below the manager level (manager level includes first line supervisors and above) on the date of contract award, who transition to the contractor, will be provided substantially equivalent pay and comparable benefits to the pay and benefits that BBWI employees were receiving as of the final day of contract DE-AC07-99ID13727. These include, but are not limited to medical, life insurance, long-term disability, and leave benefits. Any changes in job positions or classifications shall be accompanied by alteration in compensation commensurate with any change in position.
- (2) The contractor shall credit all individuals it employs who were employed by BBWI as of the date of contract award with their current length of service for purposes of determining leave benefits, severance payments, and other service awards.
- (3) The contractor shall honor accrued leave benefits of BBWI employees as of the last day of contract DE-AC07-99ID13727.
- (4) Contractor Employee Compensation Plan: The contractor shall submit, for Contracting Officer approval, by the close of contract transition, a Contractor Employee Compensation Plan (to be submitted during contract transition only) demonstrating how the Contractor will comply with the requirements of this Contract. The Contractor Employee Compensation Plan shall describe the Contractor's policies regarding compensation, pensions, and other benefits, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.

A description of the Contractor Employee Compensation Program should include the following components:

- (A) Philosophy and strategy for all pay delivery programs.
  - (B) System for establishing a job worth hierarchy.
  - (C) Method for relating internal job worth hierarchy to external market.
  - (D) System that links individual and/or group performance to compensation decisions.
  - (E) Method for planning and monitoring the expenditure of funds.
  - (F) Method for ensuring compliance with applicable laws and regulations.
  - (G) System for communicating the programs to employees.
  - (H) System for internal controls and self-assessment.
  - (I) System to ensure that reimbursement of compensation, including stipends, for employees who are on joint appointments with a parent or other organization shall be on a pro-rated basis.
- (5) Total Compensation System: The contractor shall develop, implement, and maintain formal policies, practices, and procedures to be used in the administration of its compensation system consistent with FAR 31.205-6 and DEAR 970.3102-05-6; “Compensation for Personal Services” (“Total Compensation System”). DOE-approved standards (e.g., set forth in an advance understanding or appendix), if any, shall be applied to the Total Compensation System. The contractor’s Total Compensation System shall be fully documented, consistently applied, and acceptable to the Contracting Officer. Costs incurred in implementing the Total Compensation System shall be consistent with the contractor’s documented Contractor Employee Compensation Plan as approved by the Contracting Officer.
- (6) Reports and Information: The contractor shall provide the Contracting Officer with the following reports and information with respect to pay and benefits provided under this Contract:
- (A) 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.
  - (B) A list of the top five most highly compensated executives as defined in FAR 31.205-6(p)(2)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation. This should be the same information provided to the Central Contractor Registration (CCR) per FAR 52-204-10.
  - (C) An Annual Report of Contractor Expenditures for Employee Supplemental Compensation no later than March 1 of each year.
- (7) Pay and Benefit Programs: The contractor shall establish pay and benefit programs for Incumbent Employees and Non-Incumbent Employees as defined in paragraphs (A) and (B) below; provided, however, that employees scheduled to work fewer than 20 hours per week receive only

those benefits required by law. Employees are eligible for benefits, subject to the terms, conditions, and limitations of each benefit program.

- (A) Incumbent Employees are the employees who hold regular appointments or who are regular employees of the incumbent contractor.
  - (i) Pay. Subject to the Workforce Transition Clause (H.21(b)(1)), the contractor shall provide equivalent base pay to Incumbent Employees as compared to pay provided by BBWI for at least the first year of the term of the Contract.
  - (ii) Pension and Other Benefits. The contractor shall provide a total package of benefits to Incumbent Employees comparable to that provided by BBWI. Comparability of the total benefit package shall be determined by the Contracting Officer in his/her sole discretion.

Incumbent Employees shall remain in their existing pension plans (or comparable successor plans if continuation of the existing plans is not practicable) pursuant to pension plan eligibility requirements and applicable law.

- (B) Non-Incumbent Employees are new hires, i.e., employees other than Incumbent Employees who are hired by the contractor after date of award. All Non-Incumbent Employees shall receive a total pay and benefits package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the contractor recruits its employees and in accordance with Contract requirements.

(C) Cash Compensation

- (i) The contractor shall submit the following to the Contracting Officer for a determination of cost allowability for reimbursement under the contract:
  - (aa) Any proposed major compensation program changes prior to implementation.
  - (bb) An Annual Compensation Increase Plan (CIP). The Compensation Increase Plan (CIP) should include the following components and data:
    - (1) Comparison of average pay to market 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 for each pay structure to include breakouts on 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 Compensation Increase Plan 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) for which CIP amounts are intended shall be defined by mutual agreement between the contractor and the Contracting Officer. (d) The Contracting Officer may 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).
  - (8) A discussion of the impact of budget and business constraints on the CIP amount.
  - (9) Comparison of pay to relevant factors other than market average pay.
- (cc) Individual compensation actions for the top contractor official (e.g., laboratory director/plant manager or equivalent) and key personnel not included in the CIP. For those key personnel included in the CIP, DOE will approve salaries upon the initial contract award and when key personnel are replaced during the life of the Contract. DOE will have access to all individual salary reimbursements. This access is provided for transparency; DOE will not approve individual salary actions (except as previously indicated).
- (ii) The Contracting Officer's approval of individual compensation actions will be required only for the top contractor official (e.g., laboratory director/plant manager or equivalent) and key personnel as indicated in (b)(7)(C)(i)(cc) above. The base salary reimbursement level for the top contractor official establishes the maximum allowable salary reimbursement under the contract. Unusual circumstances may require a deviation for an individual on a case-by-case basis. Any such deviations must be approved by the Contracting Officer.

(8) Pension and Other Benefit Programs:

- (A) The contractor shall manage and sponsor pension and welfare benefit programs at the site for its employees in accordance with applicable law. The contractor shall obtain the written approval of the CO before it initially implements any pension or retirement income plan, or any retirement medical or other welfare benefit plan. The contractor will also have responsibility for funding, administering, and maintaining the qualified status of all plans.

From May 1, 2005, through September 30, 2007, all costs (including administration) associated with the site Defined Benefit Pension Plan will be split so that the INL share is 42%, the ICP share is 57%, and the AMWTP share is 1%. As of October 1, 2007, all costs (including administration) associated with the site Defined Benefit Pension Plan will be split so that the INL share is 47%, the ICP share is 52%, and the AMWTP share is 1%.

From May 1, 2005, through September 30, 2007, all costs (including administration) associated with the Medical and Welfare Benefits program for retirees as of January 31, 2005, will be split so that the INL share is 42%, and the ICP share is 58%. As of October 1, 2007, all costs (including administration) associated with the Medical and Welfare Benefits program for retirees as of January 31, 2005, will be split so that the INL share is 47%, and the ICP share is 53%.

From May 1, 2005, through January 31, 2007, employee benefits costs included within the amounts reimbursed or funded by the ICP contract for mandatory services (per Exhibit C.4-1) count towards ICP's share of the cost.

(i) Grandfathered Employees

(aa) Employees hired by the contractor who were employed by BBWI or the University of Chicago (Argonne National Laboratory-West) during contract transition and who are participants (both vested and non-vested) in the BBWI defined benefit pension plan ("grandfathered employees") shall be allowed to accrue credit under the current defined benefit pension plan sponsored by the INL contractor with benefits and terms substantially equivalent to those pertaining under the BBWI defined benefit plan at contract award for service under this contract. The contractor shall become a participating member or co-sponsor of this defined benefit plan being sponsored and administered by the INL contractor.

(bb) Incumbent (grandfathered) employees who transfer between the INL and ICP contractors shall retain full service credit in the current BBWI Defined Benefit Pension Plan.

- (ii) Those employees hired after the contract takeover date shall not become participants in the BBWI defined benefit pension plan in place for grandfathered employees unless the contractor can demonstrate that it is more cost effective to DOE to do so and the CO provides written approval. Subject to CO approval, the contractor shall provide non-grandfathered employees, subject to any applicable requirements of the Service Contract Act, with a market-based, industry-competitive pension plan or the contractor may incorporate newly hired employees into its existing corporate defined contribution plans.
  - (iii) Any defined contribution (investment) plan established by the contractor shall be structured to encourage transfer of assets of grandfathered employees in the existing defined contribution (investment) plan where these transfers can be accomplished without affecting the qualified status of the plan. The contractor shall assure continuity of sponsorship for the existing site defined contribution (investment) plan with respect to benefits accrued as of contract takeover.
  - (iv) During this contract, the contractor may change the pension and welfare benefit plans, subject to the legal requirements set forth in this contract. Changes or amendments to any of the pension and welfare benefit plans, including any of the retirement medical benefits, shall be consistent with applicable law, terms of the respective plans with respect to the procedures for amending such plans, and the terms of this contract and shall be made only with the express, advance, written consent of the CO.
- (B) No presumption of allowability will exist when the contractor implements a new benefit plan or makes changes to existing benefit plans for employees until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans.
- (C) Cost reimbursement for employee pension and other benefit programs sponsored by the contractor will be based on the Contracting Officer's approval of contractor actions pursuant to an approved "Employee Benefits Value Study" and an "Employee Benefits Cost Survey Comparison" as described below.

- (D) Unless otherwise stated, or as directed by the Contracting Officer, the contractor shall submit the studies required in paragraphs (i) and (ii) below. The studies shall be used by the contractor in calculating the cost of benefits under existing benefit plans. An Employee Benefits Value (Ben-Val) Study Method using no fewer than 15 comparator organizations and an Employee Benefits Cost Survey Comparison Method shall be used in this evaluation to establish an appropriate comparison method. In addition, the contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan.
- (i) The Ben-Val, every three years for each benefit tier (e.g., group of employees receiving a benefit package based on date of hire), which 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 approved by the Contracting Officer. To the extent that the value studies do not address post-retirement benefits other than pensions, the contractor shall provide a separate cost and plan design data comparison for the post-retirement benefits other than pensions using external benchmarks derived from nationally recognized and Contracting Officer approved survey sources, and,
  - (ii) An Employee Benefits Cost Study Comparison, annually, for each benefit tier, that analyzes the contractor's employee benefits cost for employees on a per capita basis per full-time equivalent employee and as a percent of payroll and compares the contractor cost data with the cost reported by the U.S. Department of Labor's Bureau of Labor Statistics or other Contracting Officer approved broad based national survey.
- (E) When the net benefit value exceeds the comparator group by more than five percent, the contractor shall submit a corrective action plan to the Contracting Officer for approval, unless waived by the Contracting Officer.
- (F) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than five percent, the contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll, unless waived by the Contracting Officer.

- (G) Within two years of Contracting Officer approval of the contractor's corrective action plan, the contractor shall align employee benefit programs with the benefit value and per capita cost range or percent of payroll as approved by the Contracting Officer.
  - (H) The contractor may not terminate any benefit plan during the term of the Contract without the prior approval of the Contracting Officer in writing.
  - (I) Cost reimbursement for post-retirement benefits other than pensions (PRBs) is contingent on DOE approved service eligibility requirements for PRB that shall be based on a minimum period of continuous employment service not less than 5 years under a DOE cost reimbursement contract(s) immediately prior to retirement. Unless required by Federal or State law, advance funding of PRBs is not allowable.
  - (J) Each contractor sponsoring a pension and/or post-retirement benefit plan will participate in the annual plan management process which includes written responses to a questionnaire regarding plan management, providing forecasted estimates of future reimbursements in connection with the plan and participating in a conference call to discuss the contractor submission (see below for Pension Management Plan requirements).
  - (K) Each contractor will respond to quarterly data calls issued through iBenefits or its successor system.
- (9) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs
- (A) Employees working for the contractor shall only accrue credit for service under this Contract after the date of Contract Award.
  - (B) Except for Commingled Plans in existence as of the effective date of the Contract, any pension plan maintained by the contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan that provides credit for service not performed under a DOE cost-reimbursement contract. When deemed appropriate by the Contracting Officer, Commingled Plans shall be converted to separate plans at the time of new contract award or the extension of a contract.
- (10) Basic Requirements: The contractor shall adhere to the requirements set forth below in the establishment and administration of pension plans that are reimbursed by DOE pursuant to cost reimbursement contracts for management and operation of DOE facilities and pursuant to other cost reimbursement facilities contracts. Pension Plans include Defined Benefit and Defined Contribution plans.

- (A) The contractor shall become a sponsor of the existing pension and other benefit plans (or comparable successor plans) including other post-retirement benefit (PRB) plans, as applicable, with responsibility for management and administration of the plans. The contractor shall be responsible for maintaining the qualified status of those plans consistent with the requirements of ERISA and the Internal Revenue Code (IRC). The contractor shall carry over the length of service credit and leave balances accrued as of the date of the contractor's assumption of Contract performance.
- (B) DOE approval is required prior to implementing any change to a pension plan covering prime cost reimbursement contracts for management and operation of DOE facilities and other contracts when designated. Changes shall be in accordance with and pursuant to the terms and conditions of the contract.
- (C) Each contractor pension plan shall be subjected to a limited-scope audit annually that satisfies the requirements of ERISA Section 103, except that every third year the contractor must conduct a full-scope audit satisfying ERISA Section 103. Alternatively, the contractor may conduct a full-scope audit satisfying ERISA Section 103 annually. In all cases, the contractor must submit the audit results to the Contracting Officer. In years in which a limited scope audit is conducted, the contractor must provide the Contracting Officer with a copy of the qualified trustee or custodian's certification regarding the investment information that provides the basis for the plan sponsor to satisfy reporting requirements under ERISA Section 104.
- (D) For existing Commingled Plans, the contractor shall maintain and provide annual Separate Accounting of DOE liabilities and assets as for a Separate Plan.
- (E) For existing Commingled Plans, the contractor shall be liable for any shortfall in the Plan assets caused by funding or events unrelated to DOE contracts.
- (F) The contractor shall comply with the requirements of ERISA if applicable to the pension plan and any other applicable laws.
- (G) The Pension Management Plan (PMP) shall include the following:
  - (i) A Pension Management Plan (PMP) discussing the contractor's plans for management and administration of all pension plans consistent with the terms of this contract. The PMP shall be updated and submitted to the Contracting Officer in draft annually no later than 45 days after the last day of the Plan Year along with its draft actuarial valuation.

- (ii) Within thirty (30) days after the date of the submission, appropriate contractor representatives shall meet with the Contracting Officer to discuss the contractor's proposed draft annual update of the PMP to specifically discuss any anticipated changes in the projected pension contributions from the prior year's contributions and any discrepancies between the actual contributions made for the most recent year preceding that meeting and the projected contributions for that year which the contractor had submitted to the Contracting Officer the prior year. The annual revision of the PMP shall include:
- (aa) The contractor's best projection of the contributions which it will be legally obligated to make to the pension plan(s), beginning with the required contributions for the coming fiscal year, based on the latest actuarial valuation, and continuing for the following four 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).
  - (bb) If the actuarial valuation submitted pursuant to the annual PMP update indicates that the sponsor of the pension plan must impose pension plan benefit restrictions, the contractor shall provide the following information:
    - (1) The type of benefit restriction that will take place,
    - (2) 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, and
    - (3) The amount of money that would need to be contributed to the pension plan to avoid legally required benefit restrictions.
  - (cc) A detailed discussion of how the contractor intends to manage the pension plan(s) to maximize the contribution predictability (i.e. forecasting accuracy) and contain current and future costs, to include rationale for selection of all plan assumptions that determine the required contributions and which impact the level and predictability of required contributions. The contractor is required to annually establish a long term (e.g. five year) plan that outlines the steps to be taken to better manage predictability. The contractor must also share the following information with the Department during the meeting:

- (1) Strategy for achieving and maintaining full-funded status of the plan(s).
    - (2) Investment policy statement for the plan, with any recent updates.
    - (3) Results of recent asset liability studies (required to be performed every 3 years or after a significant asset allocation strategy).
    - (4) Comparison of budget projections submitted to the Department to actual contributions.
    - (5) Any recent reports, findings, or recommendations provided by plan's investment consultant.
    - (6) Actuarial experience studies to set the plan's actuarial assumptions (required to be performed every 3-5 years).
  - (dd) An assessment to evaluate the effectiveness of the contractor's pension plan(s) investment management results. The assessment shall include at a minimum: a review and analysis of pension plan objectives; the strategies employed to achieve those objectives the methods used to monitor execution of those strategies and the achievement of the investment objectives; and a comparative analysis of the objectives and performance of other comparable pension plans. The contractor shall also identify its plans, if any, for revising any aspect of its pension plan management based on the results of the review.
- (11) Reimbursement of Contractors for Contributions to Defined Benefit Pension Plans
- (A) Contractors that sponsor single employer or multiple employer defined benefit pension plans will be reimbursed for the annual required minimum contributions under the Employee Retirement Income Security Act (ERISA), as amended by the Pension Protection Act (PPA) of 2006. Reimbursement above the annual minimum required contribution will require prior approval of the Contracting Officer. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances.
  - (B) Contractors that sponsor multi-employer DB pension plans will be reimbursed for pension contributions in the amounts necessary to ensure that the plans are funded to meet the annual minimum requirement under ERISA, as amended by the PPA. However, reimbursement for pension contributions above the annual minimum requires prior approval of the Contracting Officer and will be considered on a case by case basis. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances.

- (12) Reporting Requirements for Designated Contracts: Because the contractor is responsible for administering and maintaining the qualified status of all pension and investment plans, the contractor must submit annual actuarial and employer certification as the sponsoring employer and participating employer in the pension plans demonstrating full compliance with Internal Revenue Code and Employee Retirement Income Security Act (ERISA) requirements including, but not limited to, any applicable non-discrimination testing. The following reports shall be submitted to DOE as soon as possible after the last day of the Plan Year by the contractor responsible for each designated pension plan funded by DOE but no later than the dates specified below:
- (A) Actuarial Valuation Reports. The annual actuarial valuation report for each DOE-reimbursed pension plan and when a pension plan is commingled, the contractor shall submit separate reports for DOE's portion and the plan total by the due date for filing IRS Form 5500.
  - (B) Forms 5500. Copies of IRS Forms 5500 with Schedules for each DOE-funded pension plan, no later than that submitted to the IRS.
  - (C) Forms 5300. 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.
- (13) Changes to Pension Plans. At least sixty (60) days prior to the adoption of any changes to a pension plan, the contractor shall submit the information required below, as applicable, to the Contracting Officer for approval or disapproval and a determination as to whether the costs are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.
- (A) For proposed changes to pension plans and pension plan funding, the contractor shall provide the following to the Contracting Officer:
    - (i) A 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 costs;
    - (iii) Except in circumstances where the Contracting Officer indicates that it is unnecessary, a legal explanation of the proposed changes from the counsel used by the plan for purposes of compliance with all legal requirements applicable to private sector defined benefit pension plans;
    - (iv) The Summary Plan Description; and
    - (v) Any such additional information as requested by the Contracting Officer.

(B) Contractors shall submit new benefit plans and changes to plan design or funding methodology with justification to the Contracting Officer for approval. The justification must:

- (i) Demonstrate the effect of the plan changes on the Contract net benefit value or per capita benefit costs,
- (ii) Provide the dollar estimate of savings or costs, and
- (iii) Provide the basis of determining the estimated savings or cost.

(14) Terminating Operations: When operations at a designated DOE facility are terminated and no further work is to occur under the Prime Contract, the following apply:

- (A) No further benefits for service shall accrue.
- (B) The contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the DOE Contract.
- (C) The contractor shall base its pension liabilities attributable to DOE contract work on the market value of annuities or lump sum payments or dispose of such liabilities through a competitive purchase of annuities or lump sum payouts.
- (D) Assets shall be determined using the “accrual-basis market value” on the date of termination of operations.
- (E) DOE and the contractor(s) 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 plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(15) Terminating Plans

- (A) DOE contractors shall not terminate any pension plan (commingled or site specific) without requesting Departmental approval at least 60 days prior to the scheduled date of plan termination.
  - (B) 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 or lump sum payouts. The contractor shall apply the assumptions and procedures of the Pension Benefit Guaranty Corporation.
  - (C) 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.
  - (D) If ERISA or IRC rules prevent a full transfer of excess DOE reimbursed assets from the terminated plan, the contractor shall pay any deficiency directly to DOE according to a schedule of payments to be negotiated by the parties.
  - (E) On or before the same day as the contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee or an insurance company, is able to assume stewardship of those assets.
  - (F) DOE liability to a Commingled Pension Plan shall not exceed that portion which corresponds to DOE contract services. The DOE shall have no other liability to the plan, to the plan sponsor, or to the plan participants.
  - (G) After all liabilities of the plan are satisfied, the contractor shall return to DOE 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 DOE. Such amount and such earnings shall be subject to DOE audit. To effect the purposes of this paragraph, DOE and the contractor may stipulate to a schedule of payments.
- (16) Special Programs: Contractors must advise DOE and receive prior approval for each early-out program, window benefit, disability program, plan-loan feature, employee contribution refund, asset reversion, or

incidental benefit.

(17) Definitions

- (A) Commingled Plans. Cover employees from the contractor's private operations and its DOE contract work.
- (B) Current Liability. The sum of all plan liabilities to employees and their beneficiaries. Current liability includes only the benefits accrued to the date of valuation. This liability is commonly expressed as a present value.
- (C) Defined Benefit Pension Plan. Provides a specific benefit at retirement that is determined pursuant to the formula in the Pension Plan Document.
- (D) Defined Contribution Plan. Provides benefits to each participant based on the amount held in the participant's account. Funds in the account may be comprised of employer contributions, employee contributions, investment returns on behalf of that plan participant, and/or other amounts credited to the participant's account.
- (E) Designated Contract. For purposes of this clause, a contract (other than a prime cost reimbursement contract for management and operation of a DOE facility) for which the Head of the Departmental Contracting Activity determines that advance pension understandings are necessary or where there is a continuing Departmental obligation to the pension plan.
- (F) Pension Fund. The portfolio of investments and cash provided by employer and employee contributions and investment returns. A pension fund exists to defray pension plan benefit outlays and (at the option of the Plan Sponsor) the administrative expenses of the plan.
- (G) Separate Accounting. Account records established and maintained within a commingled plan for assets and liabilities attributable to DOE contract service. NOTE: The assets so represented are not for the exclusive benefit of any one group of plan participants.
- (H) Separate Plan. Must satisfy IRC Section 414(l) definition of a single plan, designate assets for the exclusive benefit of employees under DOE contract, exist under a separate Plan Document (having its own DOL Plan Number) that is distinct from corporate plan documents and identify the contractor as the Plan Sponsor.
- (I) Spun-Off Plan. A new plan which satisfies IRC Reg. 1.414(1)-1 requirements for a single plan and which is created by separating assets and liabilities from a larger original plan. The funding level of

each individual participant's benefits shall be no less than before the event, when calculated on a "plan termination basis".

(c) **WORKERS' COMPENSATION INSURANCE**

- (1) Contractors, other than those whose 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 (contractors shall provide copies to the Contracting Officer of all renewal policies for workers' compensation).
- (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 total benefit payments from all sources shall not exceed 100% of the employee's net pay.
- (3) Contractors approve all workers' compensation settlement claims up to the threshold established by the Contracting Officer for DOE approval and submit all settlement claims above the threshold to DOE for approval.
- (4) The contractor shall obtain approval from the Contracting Officer before making any significant change to its workers' compensation coverage and shall furnish reports as may be required from time to time by the Contracting Officer

(d) **POST CONTRACT RESPONSIBILITIES FOR PENSION AND OTHER BENEFIT PLANS**

- (1) If this Contract expires or terminates and DOE 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 at the Idaho National Laboratory (collectively called "the Plans"), the incumbent 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 Commingled Plan is involved, the incumbent contractor shall:
  - (A) Spin off the DOE portion of any Commingled Plan used to cover employees working at the DOE facility into a separate plan. The new plan will normally provide benefits similar to those provided by the Commingled Plan and shall carry with it the DOE assets on an accrual basis market value, including DOE assets that have accrued in excess of DOE liabilities.

- (B) Bargain in good faith with DOE or the successor contractor to determine the assumptions and methods for establishing the liabilities involved in a spinoff. DOE and the contractor(s) shall establish an effective date of spinoff. On or before the same day as the contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.
- (2) If this Contract expires or terminates and DOE 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 clause), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of this Contract, the following actions shall occur regarding the Contractor's obligations regarding the Plans at the time of Contract Completion:
- (A) Subject to Subparagraph (B) 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.
- (B) 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.
- (C) In accordance with DOE-approved contractor welfare benefit plans, the contractor shall provide benefit continuation on a funding basis acceptable to DOE.
- (D) During the final 12 months of this contract, the CO shall provide written direction regarding post-contract responsibilities for pension

and welfare benefit plans. (E) Notwithstanding termination for convenience or default, the contract may be extended as appropriate and necessary for purposes deemed necessary by the Contracting Officer, including, but not limited to, obligating funds to pay the contractor for costs incurred pursuant to contributions to the contractor's existing and, if applicable, follow-on site pension and welfare benefit plans. Such costs shall continue to be allowable in accordance with applicable laws and regulations.

(5) **LABOR RELATIONS** (Also refer to the clause entitled "Collective Bargaining Agreements—Protective Services" (DEAR 952.237-70) contained in Section I)

- (1) The contractor agrees to conduct its labor relations program in accordance with DOE's intent that labor policies and practices reflect the best experience of American industry in aiming to achieve the type of stable labor-management relations essential to the successful accomplishment of DOE's programs at reasonable cost. Collective bargaining will be left to the orderly processes of negotiation and agreement between contractor management and certified employee representatives with maximum possible freedom from DOE involvement. The contractor management's stewardship for working on DOE facilities and programs critical to the national interest includes the duty to adopt practices which are fundamental to the friendly adjustment of disputes, and which experience has shown to be consistent with the stability of collective bargaining relationships.
- (2) The contractor shall maintain positive labor-management relations. The contractor shall respect the rights of employees to: organize, form, join, or assist labor organizations; bargain collectively through representatives of their own choosing; engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; and to refrain from any or all such activities.
- (3) Consistent with applicable law and regulations, the contractor shall recognize and bargain with the Paper, Allied-Industrial, Chemical and Energy (PACE) labor organization as the collective-bargaining representative of employees performing work that has historically and traditionally been performed by PACE members and is covered in the scopes of these contracts, and negotiate collective bargaining agreements. During the collective-bargaining process, the contractor shall obtain DOE CO approval before proposing or agreeing to changes in any pension or retirement income plans or to any retirement medical or other welfare benefit plans.
- (4) Reserved.
- (5) Employee Relations

The contractor is expected to maintain a positive employee relations environment that will foster high productivity at a reasonable cost. The contractor shall implement effective employee concerns resolution programs.

- (6) Advance Understandings
- (A) DOE and the contractor shall negotiate in good faith to reach advance understandings before contract takeover, on pension and welfare benefits applicable to work under this contract and on the contractor's other applicable human resource policies and systems. Before personnel costs and related expenses (including those for pension and welfare benefits) are paid, the contractor shall obtain DOE CO approval of contractor policies and procedures covering such personnel costs and related expenses. The contractor shall also obtain prior written DOE CO approval of any subsequent changes to such policies, before costs (whenever incurred) are considered allowable. In particular, the contractor shall obtain written DOE CO approval of any changes to policies affecting any pension or retirement income plan or to any welfare benefit plan, including any change to applicable pension and welfare benefit plans or to any underlying trust documents that affect such policies or plans. A Personnel Appendix shall not be used. Any deviation from the advance understandings must be approved by the CO in writing before such costs incurred will be considered allowable (either as direct or indirect costs) under this contract. These understandings in advance of cost incurrence avoid subsequent disputes in cost categories where reasonableness or allowability may be difficult to determine.
- (B) Examples of personnel costs and related expenses covered by the advance understandings include, but are not limited to, the following: salaries and wages; bonuses and incentive compensation; fringe benefits; premium pay; overtime; holidays; paid time off (vacations, holidays, sick, funeral, military, jury, witness, voting leave); travel, subsistence and relocation; training; insurance; workers compensation; and employee benefit plans such as savings, retirement, separation, life insurance, medical, and disability (short and long term).
- (C) Relocation costs incurred with regard to relocating an employee to the work site are included in the target cost, and are allowable in accordance with FAR 31.205-35, Relocation Costs, for this contract. The contractor shall submit a plan for advance written approval from the CO regarding the temporary and permanent relocation of all employees to the local area charging the cost, or any portion thereof, to this contract. Exit relocation costs are not allowable.
- (D) The contractor shall continue a detailed manpower planning process,

which aligns staffing levels over time and is integrated with the ICP baseline. The contractor shall share this information periodically with its employees to encourage those in classifications scheduled for reduction to take advantage of the many programs offered. These programs provide an opportunity for employees to transition into other site job classifications, which are increasing, or to better position them to leave the site for other employment opportunities.

(E) Employee separations shall be consistent with applicable DOE policy and approved workforce restructuring plans, as amended from time to time.

(F) Contractor Human Resource Program shall comply with DOE Order 350.1 (Contractor Human Resource Management Programs). Upon issuance of the revised DOE Order, the contractor shall meet with the CO to negotiate implementation procedures.

(f) The above clause, as all other clauses, is not enforceable by, or for the benefit of, and shall create no right of action or any other benefit or obligation with respect to any person or entity other than the contracting parties.

**10. CONTRACTOR'S STATEMENT OF RELEASE:** In consideration of the modification agreed to herein as a complete equitable adjustment for the directed change to incorporate the requirements of OHSS Operating Experience (OE) Bulletin (Level 1) OE-1:2013-01; preparation and grouting of MFC-767; MFC D&D scope for FY15; and deductive change to remove scope from Section C.8.4.5.2 Characterization and Disposal of Buried Waste, and in accordance with contract Section I.81 52.243-2 Changes—Cost Reimbursement Alt I, the Contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments attributable to such facts or circumstances giving rise to the proposal for adjustment. The total target price of the equitable adjustment is an increase of \$5,401,856.

| Activity                                                                                                                                         |                | FY13          | FY14          | FY15         | Total         | Notes                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------|--------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Fuel receipts or transfers of non-EM owned Spent Nuclear Fuel (SNF), including:<br>1. Transfers of Navy SNF to Naval Reactors Facility (NRF) | Estimated Cost | \$ 24,440,507 | \$ 20,261,214 |              | \$ 44,701,721 | Mod 236 (11/14/12) - includes \$1,588,962 of MR. Fee was calculated w/escalated base, emergent work & G&A totaling \$20,686,032; excluded pension and MR.<br>Mod 256 (9/26/13) - ded chg to reduce est cost/fee<br>Mod 268 (1/23/14) - Fee calculated on the total estimated cost, excluding pension. |
|                                                                                                                                                  | Fixed Fee      | \$ 1,494,296  | \$ 1,336,867  |              | \$ 2,831,163  |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 25,934,803 | \$ 21,598,081 |              | \$ 47,532,884 |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  |                |               |               |              |               |                                                                                                                                                                                                                                                                                                       |
| 2. Disposition of 103 Naval Reactor Cans                                                                                                         | Estimated Cost | \$ 4,735,495  |               |              | \$ 4,735,495  | Mod 250 (5/22/13) - total estimated costs include MR. Fee calculated without MR and pension.                                                                                                                                                                                                          |
|                                                                                                                                                  | Fixed Fee      | \$ 301,437    |               |              | \$ 301,437    |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 5,036,932  | \$ -          | \$ -         | \$ 5,036,932  |                                                                                                                                                                                                                                                                                                       |
| 3. Swapping Fuel in MPS                                                                                                                          | Estimated Cost | \$ -          | \$ 158,051    |              | \$ 158,051    | Mod 281 (8/18/14) - Fee calculated without pension.                                                                                                                                                                                                                                                   |
|                                                                                                                                                  | Fixed Fee      | \$ -          | \$ 10,534     |              | \$ 10,534     |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ -          | \$ 168,585    | \$ -         | \$ 168,585    |                                                                                                                                                                                                                                                                                                       |
| 4. Navy Fuel Transfer Clean Fuel Modules                                                                                                         | Estimated Cost | \$ -          | \$ 13,442     |              | \$ 13,442     | Mod 281 - Fee calculated without pension                                                                                                                                                                                                                                                              |
|                                                                                                                                                  | Fixed Fee      | \$ -          | \$ 989        |              | \$ 989        |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ -          | \$ 14,431     | \$ -         | \$ 14,431     |                                                                                                                                                                                                                                                                                                       |
| 5. NNPP Weigh Cluster                                                                                                                            | Estimated Cost | \$ -          | \$ 4,054      |              | \$ 4,054      | Mod 281 - Fee calculated without pension.                                                                                                                                                                                                                                                             |
|                                                                                                                                                  | Fixed Fee      | \$ -          | \$ 267        |              | \$ 267        |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ -          | \$ 4,321      | \$ -         | \$ 4,321      |                                                                                                                                                                                                                                                                                                       |
| 6. NNPP Measure 900-6 Baskets                                                                                                                    | Estimated Cost | \$ -          | \$ 2,461      |              | \$ 2,461      | Mod 281 - Fee calculated without pension                                                                                                                                                                                                                                                              |
|                                                                                                                                                  | Fixed Fee      | \$ -          | \$ 162        |              | \$ 162        |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ -          | \$ 2,623      | \$ -         | \$ 2,623      |                                                                                                                                                                                                                                                                                                       |
| (b) Other Contractor Support to DOE:                                                                                                             |                |               |               |              |               | Refer to Mod 236 (11/14/12) for details.                                                                                                                                                                                                                                                              |
| 1. Developer Support / Wireless Service (NE Funded)                                                                                              | Estimated Cost | \$ 1,148,805  | \$ 1,180,274  | \$ 1,212,655 | \$ 3,541,734  |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Fixed Fee      | \$ 20,413     | \$ 20,972     | \$ 21,548    | \$ 62,933     |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 1,169,218  | \$ 1,201,246  | \$ 1,234,203 | \$ 3,604,667  |                                                                                                                                                                                                                                                                                                       |
| 2. Records Management Support                                                                                                                    | Estimated Cost | \$ 283,036    | \$ 291,020    | \$ 299,004   | \$ 873,060    |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Fixed Fee      | \$ 5,029      | \$ 5,171      | \$ 5,313     | \$ 15,513     |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 288,065    | \$ 296,191    | \$ 304,317   | \$ 888,573    |                                                                                                                                                                                                                                                                                                       |
| 3. ID Copier Support                                                                                                                             | Estimated Cost | \$ 79,906     | \$ 82,159     | \$ 84,415    | \$ 246,480    |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Fixed Fee      | \$ 1,420      | \$ 1,460      | \$ 1,500     | \$ 4,380      |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 81,326     | \$ 83,619     | \$ 85,915    | \$ 250,860    |                                                                                                                                                                                                                                                                                                       |
| 4. Dosimetry                                                                                                                                     | Estimated Cost | \$ 46,110     | \$ 47,411     | \$ 48,712    | \$ 142,233    |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Fixed Fee      | \$ 819        | \$ 842        | \$ 866       | \$ 2,527      |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 46,929     | \$ 48,253     | \$ 49,578    | \$ 144,760    |                                                                                                                                                                                                                                                                                                       |
| 5. Printing/Graphic Arts                                                                                                                         | Estimated Cost | \$ 2,015      | \$ 2,072      | \$ 2,129     | \$ 6,216      |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Fixed Fee      | \$ 36         | \$ 37         | \$ 38        | \$ 111        |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 2,051      | \$ 2,109      | \$ 2,167     | \$ 6,327      |                                                                                                                                                                                                                                                                                                       |
| 6. DOE Office Moves                                                                                                                              | Estimated Cost | \$ 238        | \$ 244        | \$ 252       | \$ 734        |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Fixed Fee      | \$ 4          | \$ 4          | \$ 4         | \$ 12         |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Total CPFF     | \$ 242        | \$ 248        | \$ 256       | \$ 746        |                                                                                                                                                                                                                                                                                                       |
| 7. Portable Toilet - RESL (CFA Bldg 638)                                                                                                         | Estimated Cost | \$ 1,772      | \$ 1,822      | \$ 1,873     | \$ 5,467      |                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                  | Fixed Fee      | \$ 31         | \$ 32         | \$ 33        | \$ 96         |                                                                                                                                                                                                                                                                                                       |

| Activity                                                                                     |                | FY13       | FY14         | FY15      | Total        | Notes                                                   |
|----------------------------------------------------------------------------------------------|----------------|------------|--------------|-----------|--------------|---------------------------------------------------------|
| 8. DOE Training                                                                              | Total CPFF     | \$ 1,803   | \$ 1,854     | \$ 1,906  | \$ 5,563     |                                                         |
|                                                                                              | Estimated Cost | \$ 17,440  | \$ 17,931    | \$ 18,451 | \$ 53,822    |                                                         |
|                                                                                              | Fixed Fee      | \$ 310     | \$ 319       | \$ 328    | \$ 957       |                                                         |
|                                                                                              | Total CPFF     | \$ 17,750  | \$ 18,250    | \$ 18,779 | \$ 54,779    |                                                         |
| (c) Adapted Technologies Project                                                             | Estimated Cost | \$ 52,224  | \$ -         | \$ -      | \$ 52,224    | Mod 254 (9/3/13) FY13 only; no fee                      |
|                                                                                              | Fixed Fee      | \$ -       | \$ -         | \$ -      | \$ -         |                                                         |
|                                                                                              | Total CPFF     | \$ 52,224  | \$ -         | \$ -      | \$ 52,224    |                                                         |
| (d) Technology Development - SNF                                                             | Estimated Cost | \$ 516,309 | \$ -         | \$ -      | \$ 516,309   | Mod 254 (9/3/13) FY13 only<br>Fee calc excludes pension |
|                                                                                              | Fixed Fee      | \$ 33,691  | \$ -         | \$ -      | \$ 33,691    |                                                         |
|                                                                                              | Total CPFF     | \$ 550,000 | \$ -         | \$ -      | \$ 550,000   |                                                         |
| (e) Sandia Fuel Receipt (SNL)                                                                | Estimated Cost | \$ -       | \$ 1,515,731 | \$ -      | \$ 1,515,731 | Mod 263 (FY13-15)<br>Fee calc excludes pension          |
|                                                                                              | Fixed Fee      | \$ -       | \$ 98,388    | \$ -      | \$ 98,388    |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 1,614,119 | \$ -      | \$ 1,614,119 |                                                         |
| (f) LANL Waste Transfer                                                                      | Estimated Cost | \$ -       | \$ 275,164   | \$ -      | \$ 275,164   | Mod 263<br>Fee calc excludes pension, reg fringe        |
|                                                                                              | Fixed Fee      | \$ -       | \$ 14,671    | \$ -      | \$ 14,671    |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 289,835   | \$ -      | \$ 289,835   |                                                         |
| (g) RH 72B TRAMPAC                                                                           | Estimated Cost | \$ -       | \$ 796,415   | \$ -      | \$ 796,415   | Mod 272 (3/26/14)<br>Fee calc excludes pension (2% FF)  |
|                                                                                              | Fixed Fee      | \$ -       | \$ 14,246    | \$ -      | \$ 14,246    |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 810,661   | \$ -      | \$ 810,661   |                                                         |
| (h) Small Dollar Activities (Proposals)<br>1. FSV, SNF Stabilization CPP-603 and CPP-666     | Estimated Cost | \$ -       | \$ 31,300    | \$ -      | \$ 31,300    | Mod 263<br>Fee calc excludes pension, fringe            |
|                                                                                              | Fixed Fee      | \$ -       | \$ 1,467     | \$ -      | \$ 1,467     |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 32,767    | \$ -      | \$ 32,767    |                                                         |
| 2. WIPP Storage Facilities                                                                   | Estimated Cost | \$ -       | \$ 24,281    | \$ -      | \$ 24,281    | Mod 281<br>Fee calc excludes pension (4%)               |
|                                                                                              | Fixed Fee      | \$ -       | \$ 879       | \$ -      | \$ 879       |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 25,160    | \$ -      | \$ 25,160    |                                                         |
| (i) Analysis of CPP-603 for NE Use (NE Funding)<br>Task 1 - Cost Proposal for Task 2A and 2B | Estimated Cost | \$ -       | \$ 9,102     | \$ -      | \$ 9,102     | Mod 281<br>Fee calc excludes pension                    |
|                                                                                              | Fixed Fee      | \$ -       | \$ 326       | \$ -      | \$ 326       |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 9,428     | \$ -      | \$ 9,428     |                                                         |
| Task 2A - Validate assumptions                                                               | Estimated Cost | \$ -       | \$ 104,195   | \$ -      | \$ 104,195   | Mod 281<br>Fee calc excludes pension                    |
|                                                                                              | Fixed Fee      | \$ -       | \$ 5,163     | \$ -      | \$ 5,163     |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 109,358   | \$ -      | \$ 109,358   |                                                         |
| Task 2B - Fabricate a cask mockup                                                            | Estimated Cost | \$ -       | \$ 150,141   | \$ -      | \$ 150,141   | Mod 281<br>Fee calc excludes pension                    |
|                                                                                              | Fixed Fee      | \$ -       | \$ 8,360     | \$ -      | \$ 8,360     |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 158,501   | \$ -      | \$ 158,501   |                                                         |
| Task 2C - Devise process to move mockup into 603                                             | Estimated Cost | \$ -       | \$ 8,528     | \$ -      | \$ 8,528     | Mod 281<br>Fee calc excludes pension                    |
|                                                                                              | Fixed Fee      | \$ -       | \$ 563       | \$ -      | \$ 563       |                                                         |
|                                                                                              | Total CPFF     | \$ -       | \$ 9,091     | \$ -      | \$ 9,091     |                                                         |

\*\*\*FY 13 - 15 B.16 ACTIVITIES ARE SUBJECT TO AVAILABILITY OF FUNDS\*\*\*

| Activity                                           |                | FY13 | FY14         | FY15 | Total        | Notes                                        |
|----------------------------------------------------|----------------|------|--------------|------|--------------|----------------------------------------------|
| (j) FSV Interim Enhancements (non-defense funding) | Estimated Cost | \$ - | \$ 3,218,193 | \$ - | \$ 3,218,193 | Mod 281<br>Fee calc excludes pension, fringe |
|                                                    | Fixed Fee      | \$ - | \$ 181,807   | \$ - | \$ 181,807   |                                              |
|                                                    | Total CPFF     | \$ - | \$ 3,400,000 | \$ - | \$ 3,400,000 |                                              |
| (k) Portsmouth Conceptual/Mathematical Modeling    | Estimated Cost | \$ - | \$ 16,906    | \$ - | \$ 16,906    | Mod 281<br>Fee calc excludes pension, fringe |
|                                                    | Fixed Fee      | \$ - | \$ 1,127     | \$ - | \$ 1,127     |                                              |
|                                                    | Total CPFF     | \$ - | \$ 18,033    | \$ - | \$ 18,033    |                                              |