PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

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B.1 TYPE OF CONTRACT - ITEMS BEING ACQUIRED

(a) This is a performance based contract that includes Cost-Plus-Incentive-Fee (CPIF) Contract Line Item Numbers (CLINs) with hybrid fee structures for both CPIF and milestone fees; and Cost-Plus-Fixed-Fee (CPFF) CLIN. The Contractor shall be responsible for planning, managing, integrating, and executing the work as described in Section C, Performance Work Statement (PWS). The Contractor shall furnish all personnel, facilities, equipment, supplies, and services (except as furnished by DOE) and otherwise do all the things necessary for performing in a safe, efficient, and effective manner.

(b) This contract contains the following CLINs:

CLIN	CLIN Title	PWS Section(s)
CLIN 00001 BASE WORK:		
00001	TARGET ICP-CORE DOE MISSION WORK (CPIF)	C.3.1-.2; C.4.1; C.4.2; C.4.3.01-.05; C.5.1; C.5.2; C.5.3.01-.06; C.5.5.01-.02; C.5.8; C.6.2; C.6.3; C.6.4; C.7.1; C.7.2; and C.8.0
CLIN 00001 OPTION WORK:		
00001a	ADDITIONAL GROUNDWATER MONITORING WELLS – CFA LANDFILL	C.4.3.06
00001b	ADDITIONAL GROUNDWATER MONITORING WELLS – TAN GROUNDWATER REMEDIATION	C.4.3.07
00001c	LEGACY EXCESS RADIOACTIVE/HAZARDOUS MATERIALS DISPOSAL	C.5.5.03
00001d	RCRA CLOSURE OF AMWTP FACILITIES	C.5.6
00001e	ADDITIONAL TEMPORARY CH-TRU STORAGE	C.5.7
00001f	RH-TRU LOT 11 OPTION WORK	C.5.3.07
00001g	RH TRU Lot 12 OPTION WORK	C.5.3.08
CLIN 00002 – 00005 BASE WORK:		
00002	TARGET ICP-CORE NAVAL NUCLEAR PROPULSION PROGRAM (NNPP) PIECES, PARTS, FINES (PPF) (CPIF)	C.5.4
00003	NON-TARGET ICP-CORE NNPP SPENT NUCLEAR FUEL (SNF) WORK (CPFF)	C.7.3
00004	TRANSITION PERIOD	C.2.0
00005	DEFINED BENEFIT PENSION PLAN COSTS	C.8.6
CLIN 00006 OPTION WORK:		
00006	INTEGRATED WASTE TREATMENT UNIT (IWTU) OPERATIONS AND TURNOVER	C.6.1

(c) CLIN Descriptions, Base Work:

CLIN 00001 – TARGET ICP-CORE DOE MISSION WORK SCOPE (BASE): This will be a CPIF CLIN that includes a hybrid fee structure for both CPIF and milestone fee driven by regulatory and court ordered requirements.

CLIN 00002 –TARGET ICP-CORE NNPP PPF WORK SCOPE: This will be a CPIF CLIN that includes a hybrid fee structure for both CPIF and milestone fee. This CLIN will be entirely funded by NNPP for the work scope identified in the PWS section C.5.4.

CLIN 00003 – NON-TARGET ICP-CORE NNPP SNF WORK SCOPE: This will be a CPFF CLIN. This CLIN will be entirely funded by NNPP for the work scope identified in the PWS section C.7.3.

CLIN 00004 – CONTRACT TRANSITION PERIOD: See Section C, PWS C.2.0. The Contract Transition Period is anticipated to be a period beginning with issuance of the Notice to Proceed (NTP). The Transition Period is estimated to be 90 days. There is no fee for the Contract Transition Period.

CLIN 00005 – DEFINED BENEFIT PENSION PLAN COSTS: Defined Benefit Pension Plan costs are not included in CLINs 00001, 00002, 00003 or 00004; and are reimbursed on the basis of actual costs billed to the contractor, applied fee is not applicable.

(d) CLIN 00001 Priced Option Work Descriptions:

The following priced options will become part of the CLIN 00001 target cost and fee, and the Contract Performance Ceiling (Refer to B.8(c)), if exercised.

CLIN 00001a – ADDITIONAL GROUNDWATER MONITORING WELLS – CFA LANDFILL: See Section C, PWS C.4.3.06. The Contractor shall abandon three existing monitoring wells and install three new monitoring wells for the CFA Landfill monitoring.

CLIN 00001b – ADDITIONAL GROUNDWATER MONITORING WELLS – TAN GROUNDWATER REMEDIATION: See Section C, PWS C.4.3.07. The Contractor shall also install three new monitoring wells for the TAN Groundwater Remediation.

CLIN 00001c – LEGACY EXCESS RADIOACTIVE/HAZARDOUS MATERIALS: See Section C, PWS C.5.5.03. The Contractor shall process and dispose of all Legacy Excess Radioactive/Hazardous Materials (excluding depleted uranium pucks) and the entire Sodium Component Maintenance Shop (SCMS) Backlog. For the depleted uranium pucks generated by Experimental Breeder Reactor II spent nuclear blanket fuel processing, the Contractor shall perform an

evaluation of the waste stream and provide a recommended disposal path, along with an estimated cost, to DOE.

CLIN 00001d – RCRA CLOSURE OF AMWTP FACILITIES: See Section C, PWS C.5.6. The Contractor shall perform a RCRA closure for AMWTP facilities excluding WMF-602, 610, 618, 628, 634, 635,, and type II storage modules (WMF-629 – 633).

CLIN 00001e – ADDITIONAL TEMPORARY CH-TRU STORAGE: See Section C, PWS C.5.7. The Contractor shall construct one15,000 drum equivalent storage facility to address storage of waste while WIPP remains closed.

CLIN 00001f – RH WASTE LOT 11 OPTION WORK: See Section C, PWS C.5.3.07. The Contractor shall operate the RH Waste program in accordance with PWS sections C.5.3.01 RH-TRU Retrieval, C.5.3.02 RH-TRU Characterization and Certification, C.5.3.03 RH-TRU Treatment, C.5.3.04 RH-TRU Storage and Movement, and C.5.3.05 RH-TRU Packaging and Transportation for a portion of Lot 11 (Legacy RH-M/LLW), under the CH-ANL-180RH waste stream ID stored in 24-in RSWF Liners.

CLIN 00001g – RH WASTE LOT 12 OPTION WORK: See Section C, PWS C.5.3.08. The Contractor shall operate the RH Waste program in accordance with PWS sections C.5.3.01 RH-TRU Retrieval, C.5.3.02 RH-TRU Characterization and Certification, C.5.3.03 RH-TRU Treatment, C.5.3.04 RH-TRU Storage and Movement, and C.5.3.05 RH-TRU Packaging and Transportation for Lot 12 (Newly Generated RH M/LLW and MTRU Waste) per Exhibit C-12, *Lot 12 – Newly Generated RH-TRU and MTRU Waste.*

(e) CLIN 00006 Priced Option Work Description:

CLIN 00006 – INTEGRATED WASTE TREATMENT UNIT (IWTU) OPERATIONS AND TURNOVER: This will be a Cost Reimbursable CLIN with fee earned on a per unit basis whereby the unit equates to a gallon of sodium bearing waste treated. See Section C, PWS C.6.1.

B.2 CONTRACT COST AND FEE SCHEDULE

(a) The estimated cost and fee of the contract CLINS are set forth below:

CLIN	CLIN Description	Dollar Value		
00001	**Target ICP-Core DOE Mission Work (Base)**	**Target Cost**	**Target Fee (NTE 7%)**	**Max Fee (NTE 15%)**
00001	Target ICP-Core DOE Mission Work	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
	Priced Options			
00001a	Groundwater Monitoring Wells/CFA Landfill	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00001b	Groundwater Monitoring Wells/TAN Groundwater Remediation	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00001c	Legacy Excess Radioactive/Hazardous Materials	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00001d	RCRA Closure of AMWTP Facilities	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00001e	Additional Temporary Storage	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00001f	RH TRU Lot 11 Option Work	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00001g	RH TRU Lot 12 Option Work	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00001 (Total)	Target ICP-Core DOE Mission Work + Options 1a-1g	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00002	**Target ICP Core NNPP PPF Work**	**Target Cost**	**Target Fee (NTE 7%)**	**Max Fee (NTE 15%)**
00002	NNPP PPF (RH-TRU LOT 10)	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]
00003	**Non-Target Work Scope**			
00003	NNPP SNF			
	Estimated Cost		[Contractor Fill-In]	
	Fixed Fee (NTE 7% of the total CLIN 00003 Estimated Cost)		[Contractor Fill-In]	
00004	**Contract Transition Period**			
	Estimated Transition Cost		[Contractor Fill-In]	
00005	**Defined Benefit Pension Plan Costs**		**[$70.9M]**	
00006	**IWTU Operations and Turnover (Priced Option)**			
	Estimated Cost		[Contractor Fill-In]	
	Fixed Fee Per Unit (unit = gallon of sodium bearing waste treated)		[Contractor Fill-In]	
	Total Fee		[Contractor Fill-In]	

(b) The total cost of the contract is: $[Contractor Fill-In] *(the sum of CLIN 00001 (including options) target cost, CLIN 00002 target cost, CLINs 00003 and 00004*

estimated cost, CLIN 00005 Government provided cost, and CLIN 00006 estimated cost).

(c) The total maximum fee of the contract is: $[Contractor Fill-In] *(the sum of CLIN 00001 Maximum Fee, including options, CLIN 00002 Maximum Fee, CLIN 00003 Fixed Fee, and CLIN 00006 Total Fee)*. The total maximum fees for CLINs 00001 and 00002 shall not exceed 15% of the target cost for each of these two CLINs respectively. The fixed fee for CLIN 00003 shall be calculated separately and shall not exceed 7% of the estimated cost for CLIN 00003. The total fee for CLIN 00006 shall be calculated separately on a per unit basis and shall not exceed $8.00 of fixed fee per unit, NTE 12.5% of the estimated cost. Therefore, the total maximum fee for the contract shall equal NTE 15% of the target cost of CLIN 00001, including options, plus NTE 15% of the target cost of CLIN 00002 plus NTE 7% of the estimated cost for CLIN 00003 plus the total fee for CLIN 00006.

(d) The target fee and maximum fee percentages for Option CLINs 00001a – 00001g shall be consistent with the target fee and maximum fee percentages for the base work in CLIN 00001.

B.3 CLIN 00001 – COST INCENTIVE, SCHEDULE MILESTONES, ANNUAL MILESTONES AND PERFORMANCE INCENTIVES FEE ALLOCATIONS AND CALCULATIONS

(a) For the purpose of the CLIN 00001 Base Work fee structure, the Total Fee includes the Cost Incentive, and all of the Schedule Milestones, Annual Milestones and Performance Incentives. Minimum Fee is $0.

The Cost Incentive, Schedule Milestones, Annual Milestones and Performance Incentives are based on meeting contract requirements. The acceptance criteria and definitions for each of the Schedule Milestones, Annual Milestones and Performance Incentives are described in Section B.3, paragraph (f). The current Schedule Milestones (SM-1 through SM-6), Annual Milestones (AM-1 through AM-4) and Performance Incentives (PI-1 through PI-3) are comprised of the CLIN 00001 Base Work. If the contract is modified and/or options are exercised under CLIN 00001, the allocation of fee dollar values will be determined at that time.

(b) If DOE does not provide adequate assets to the Contractor to ship the waste to WIPP within the contract period, the parties will re-negotiate the remaining portion of the 20% shipping fee for AM-1 and AM-2; the entire fee portion for AM-4; and the remaining portion of the 20% shipping fee for PI-1 and PI-2 if the waste was certified on time in accordance with the AM-1, AM-2, PI-1 and PI-2 acceptance criteria and definitions.

(c) **Cost Incentive Fee for CLIN 00001:**

i. Fee Allocation: The maximum available fee for the Cost Incentive equates to 35% of the total Maximum Fee for CLIN 00001.

ii. Fee Calculation: As specified in FAR 52.216-10, Incentive Fee, the cost incentive fee payable under CLIN 00001 shall be the target fee

(A) increased by twenty (20) cents for every dollar that the total allowable cost is less than the target cost (subject to the maximum fee limitation specified in Section B.3 (c)(i) above for work performed) or

(B) decreased by twenty (20) cents for every dollar that the total allowable cost exceeds the target cost.

(d) **Schedule Milestones, Annual Milestones and Performance Incentive Fee for CLIN 00001:**

i. Fee Allocation: Sixty five percent (65%) of the total Maximum Fee for CLIN 00001 is allocated to Schedule Milestones, Annual Milestones and Performance Incentives. The 65% total fee allocation is further broken down into an individual allocation percentage (i.e. weighting) for each specific Schedule Milestone, Annual Milestone and Performance Incentive in accordance with the ICP-Core CPIF Hybrid Fee Model.

ii. **Schedule Milestones** Fee Calculation**:**
The Schedule Milestone Fee dollars from the Maximum Fee amount (i.e. max fee date achievement through the min fee date) to the Min Fee amount will be calculated on a sliding scale per calendar day basis. The day after the Min Fee date the Contractor earns zero fee.

iii. **Annual Milestones** Fee Calculation**:**
Included with the Annual Milestones are rates based on the quantity of waste dispositioned, acreage of buried waste exhumed, and annual work completed. The annual milestones will be based on contractor performance over a 12 month period starting from the contract effective date, which may not coincide with the Government fiscal year.

iv. **Performance Incentives** Fee Calculation**:**
The Performance Incentives (PI) for PI-1 and PI -2 must be met in their entirety to earn the incentive fee. The Contracting Officer has discretion for the degree of the fee reduction up to the maximum fee amount for PI-3.

(e) ICP-Core CLIN 00001 and CLIN 00002 CPIF Hybrid Fee Model.

(Instructions: Right click on the fee model (MS Excel object) and click on Macro-Enabled Worksheet Object. Click Open. Fee Model should open in MS Excel. Click on 'Enable Macros' when prompted. Input data into model, Save, and then Close object. Data should save back to Section B and be included as MS Excel file.)

Microsoft Excel Worksheet (code)

(f) **ICP-Core CLIN 00001 Schedule Milestones, Annual Milestones, Performance Incentives Acceptance Criteria and Definitions**

Listed below are the definitions and acceptance criteria for each Schedule Milestone (SM), Annual Milestone (AM) and Performance Incentive (PI). To document completion of each SM, AM and PI and in accordance with Section E Inspection and Acceptance, the Contractor shall submit objective evidence, including any necessary documentation, sufficient to demonstrate completion for each SM, AM and PI. The objective evidence for completion of each SM, AM and PI shall be submitted to the Contracting Officer for review and approval no later than 10 days after the SM, AM, or PI is completed, or otherwise stated.

i. SM-1 Complete the Final Design Document for the Subsurface Disposal Area (SDA) Cap (Section C.4.2.01) – This SM will be achieved and fee paid when the following are completed:

A. DOE has received the Phase 3 90% pre-final design document for the cap for DOE submittal for regulatory review.
B. Resolution of regulatory comments and submittal of revised design to DOE.
C. Approval from the regulatory agencies and placement of the final design document in the CERCLA Administrative Record/Information Repository website.
D. This fee will be paid after approval from the regulators.

Exclusions: None.

ii. SM-2 Complete CH-TRU retrieval in TSA-RE (Section C.5.1.03) – This SM will be achieved and fee paid when the Contractor completes the retrieval of all stored waste from the earthen covered berms and cargo containers located within the WMF-636 (TSA-RE).

Objective evidence for completion includes visual verification that all stored waste has been retrieved and repackaged for treatment; and the cargo containers have been emptied of all waste drums and boxes by the min fee date or sooner.

Exclusions: RCRA closure of WMF-636.

iii. SM-3 Complete Treatment for RH TRU Lots 1-9 (Section C.5.3.01 – 5.3.03) – This SM will be achieved and fee paid upon the completion of the treatment and repackaging for all RH-TRU in storage at INTEC which includes all

waste remaining in Lots 1 through 9. The treatment process is complete when all of the RH-TRU waste has been physically treated to meet the waste acceptance criteria of the disposal facility; repackaged; and removed from the hot cell for certification for disposal by the min fee date or sooner. Objective evidence includes visual verification and review of waste tracking system documentation for treatment completion.

Exclusions: Final Certification per C. 5.3.02 is excluded from this SM-3. Additional exclusions include the Navy Pieces, Parts and Fines waste inventory (PWS Exhibit C-10) (Refer to CLIN 00002).

iv. SM-4 Complete RCRA Closure of INTEC Tank Farm Facility (Section C.6.3)
For the SM completion criteria, the Contractor shall complete closure of the remaining four 300,000 gallon tanks (Tanks WM-187, WM-188, WM-189, and WM-190; including the tank vaults, cooling coils, valve boxes, and ancillary piping) of the INTEC Tank Farm Facility in accordance with the RCRA Closure Plan (DOE/ID-11273, Revision 4 or current version, "Idaho Hazardous Waste Management Act/Resource Conservation and Recovery Act Closure Plan for Idaho Nuclear Technology and Engineering Center Tanks WM-187, WM-188, WM-189, and WM-190, and all Remaining Tank Farm Facility Resource Conservation and Recovery Act Piping", October 2012). This SM will be achieved and fee paid when the Contractor submits the Professional Engineer's Certification to the state of Idaho in accordance with the final approved RCRA Closure Plan.

Exclusions: Closure INTEC Liquid Waste Management System – Process Equipment Waste Evaporator (PEWE) and Liquid Effluent Treatment and Disposal (LET&D) Systems (PWS C.6.3).

SM-5 Complete 3,336 EBR II Bottle Transfers/Placements (Section C.7.1.03)
For this SM completion criteria, the Contractor shall operate within the RSWF and transfer 3,336 EBR II bottles to MFC for treatment by the INL contractor or placement in storage at RSWF as determined by the INL contractor. Objective evidence for completion is documentation verifying that all 3,336 EBR II bottles have been either transferred to MFC for treatment or placed in storage at RSWF by the min fee date or sooner.

Exclusions: None.

v. SM-6 Complete Transfer of 1,000 ATR SNF elements (Section C.7.1.05)
For this SM completion criterion, the Contractor shall transfer 1,000 ATR SNF elements from CPP-666 to dry storage which includes all the necessary maintenance and repairs to the equipment (e.g. crane, shield doors, casks, etc.) and any necessary facility modifications to INTEC facilities to accomplish this scope of work. Objective evidence for completion is documentation

verifying that all 1,000 ATR SNF elements have been transferred to dry storage by the min fee date or sooner.

Exclusions: None.

vi. AM-1 – ISA CH-TRU (CH-TRU and M/LLW) Cubic Meters Certified/ Shipped out of the state of Idaho (Sections C.5.1.01 – 5.1.07)

This AM will be achieved on an annual basis by certification/shipment of cubic meters of ISA CH-TRU (CH-TRU and M/LLW) waste (original volume treated) out of the state of Idaho per year. Objective evidence for certification includes review of waste tracking system documentation for confirmation that the waste meets the Waste Acceptance Criteria for WIPP. Objective evidence for shipment out of the state includes review of the shipping manifest provided by the receiving disposal facility. The Contractor shall assume 13,000 cubic meters of waste is to be treated, certified and shipped by December 31, 2018 or until complete. This total amount shall be adjusted, including fee dollar calculations, as part of material differences to reflect the actual total amount of waste requiring treatment at the contract effective date.

The Fee Rate per cubic meter will be determined by the annual original volume of CH TRU cubic meters treated, and will be paid when certified and shipped out of the state of Idaho. Initial quarterly provisional fee payments for this annual milestone will be based on the Fee Rate specified in Section B.3(e) for the lowest established volume until that volume is exceeded during the year at which time all units will receive the higher value. The final annual fee rate will be determined by the total annual original volume of CH TRU cubic meters treated, and will be paid when certified and shipped for each 12 month period beginning on the contract effective date.

If the annual amount of cubic meters treated, certified and shipped exceeds the maximum fee rate in the first two years and the entire volume identified in Section C.5.0 is treated, certified and shipped by the ISA milestone date, the fee for the final year in which the last of the waste was treated, certified and shipped will be earned at the Max Fee regardless of the volume treated, certified and shipped in that year.

If WIPP is not available, the Contractor will be paid 80% of the available fee of ISA CH-TRU if waste is certified and ready to ship to WIPP per year. The remaining 20% will be paid quarterly per cubic meter shipped when the ISA CH-TRU waste is shipped to WIPP in accordance with the shipping schedule established by WIPP after the CH-TRU waste backlog has been shipped.

Exclusions: ISA RH-TRU waste, exhumed CH-TRU waste, and all newly generated waste.

vii. AM-2 – Acres of Exhumed SDA Waste (Section C.5.2.01)
Fee will be paid to the Contractor on a quarterly basis under this AM for exhuming buried waste, once the waste has been certified and shipped to WIPP in accordance with the shipping schedule established by WIPP. Objective evidence is verification of documentation that the required exhumation footprint has been completed and certification includes review of waste tracking system documentation for confirmation that the waste meets the Waste Acceptance Criteria for WIPP. Objective evidence for shipment to WIPP includes review of the shipping manifest provided by WIPP and verification that shipment was in accordance with the AI/OU 7-13-14 ROD. The Contractor shall assume that there is 1.7 acres to be exhumed. This total acreage amount shall be adjusted, including fee dollar calculations, as part of material differences to reflect the actual total amount of acreage remaining to be exhumed at the contract effective date.

The Fee Rate per acre will be based on the annual rate of acreage exhumed achieved at the end of each quarter, and will be paid when certified and shipped out to WIPP. Initial quarterly provisional fee payments for this annual milestone will be based on the Fee Rate specified in Section B.3(e) for the lowest established acreage exhumed until that acreage is exceeded during the year at which time all units will receive the higher value. The final annual fee rate for each 12-month period beginning on the contract effective date will be determined by the total annual original acreage exhumed, and will be paid when the waste is certified and shipped to WIPP per the shipping schedule established by WIPP. The exhumed SDA waste shall be shipped after the CH-TRU waste backlog has been shipped and after the ISA CH-TRU waste has been shipped per AM-1.

Fee will be paid at the lowest annual rate per acre specified in Section B.3(e) until the next acreage milestone is accomplished. Initial quarterly provisional fee payments for this annual milestone will be based on the Fee Rate specified in Section B.3(e) for the lowest established volume until that volume is exceeded during the year at which time all units will receive the higher value. The final annual fee rate will be determined by the total annual acreage exhumed for each 12 month period beginning on the contract effective date. Once the Contractor has met or exceeded an identified acreage milestone, then all exhumed acreage for that year will receive the higher value. If the annual amount of exhumation exceeds the maximum fee rate in the first four years and the entire acreage identified in Section C.5.2 is exhumed, then the fee for the final year in which the last of the buried waste was exhumed, certified and shipped will be earned at the Max Fee regardless of the volume exhumed, certified and shipped in that year."

If WIPP is not available, the Contractor will be paid 80% of the available fee of the exhumed waste certified and ready to ship to WIPP per year. The remaining 20% will be paid quarterly per cubic meter shipped when the

exhumed waste is shipped to WIPP in accordance with the shipping schedule established by WIPP after the CH-TRU waste backlog and after the ISA CH-TRU waste per AM-1 has been shipped.

Exclusions: ISA CH and RH-TRU waste and all newly generated waste; any grids that require re-exhumation by the state of Idaho.

viii. AM-3 Disposition of Newly Generated MLLW/LLW – This AM will be achieved by disposing of all newly/process generated MLLW/LLW resulting from any/all site cleanup activities. All newly/process generated MLLW/LLW Waste generated from July 1 (of the previous calendar year) through June 30 will be required to be dispositioned by September 30 for each year of the contract period. The backlog of MLLW/LLW is anticipated to be approximately 100 cubic meters at the contract effective date. Backlog from the prior contractor is to be dispositioned in the first contract period even if the contract effective date results in the first contract period being less than 12 months. Fee is earned on an annual basis and only earned upon verification of shipping to an approved disposal facility by September 30. The total fee dollars available for each annual fee determination under this AM is 20% of the AM's total target amount. Objective evidence for disposition to a disposal facility includes review and verification of the shipping manifest provided by the receiving disposal facility.

Exclusions: CERCLA waste (including D&D waste) and waste identified in AM-1, AM-2 and AM-4 is excluded from this AM. Anything generated after June 30, 2020 is exempt.

ix. AM-4 CH/RH-TRU Waste Certified Backlog (Sections C.5.1 and C.5.3) - When WIPP is available, the Contractor shall be required to ship the CH/RH TRU certified waste in backlog. Objective evidence for shipment to WIPP includes review and verification of the shipping manifest provided by WIPP. Due to the nature of this waste, it is necessary to ship it in a timely manner. Therefore, when WIPP is available, the Contractor shall follow the established shipping schedule to ship this backlog to WIPP. Fee will be provisionally paid quarterly at 80% of the target fee dollars on a per cubic meter basis for waste shipped until the final shipment of certified backlog is shipped to WIPP. The remaining 20% of the target fee dollars will be paid when the final shipment of certified backlog is shipped to WIPP.

Exclusions: M/LLW backlog and any CH/RH TRU waste backlog generated by the Contractor during the ICP Core contract period.

x. PI-1 CH and RH-TRU Cubic Meters Certified/Shipped out of the state of Idaho (Sections C.5.1 and C.5.3) – This PI will be paid if the Contractor completes all certifications and shipments of the ISA CH and RH TRU waste

(this includes ISA TRU waste that assays as M/LLW after processing) out of the state of Idaho by December 31, 2018.

Objective evidence for certification includes review of waste tracking system documentation for confirmation that the waste meets the Waste Acceptance Criteria for WIPP. Objective evidence for shipment out of the state by December 31, 2018 includes review of the shipping manifest provided by WIPP.

If WIPP is not available, the Contractor will be paid 80% of the available fee if all of ISA CH and RH-TRU waste is certified and ready to ship to WIPP by December 31, 2018. The remaining 20% will be paid quarterly per cubic meter shipped when the ISA CH and RH-TRU waste is shipped to WIPP in accordance with the shipping schedule established by WIPP after the CH/RH-TRU waste backlog has been shipped.

xi. PI-2 – Complete exhumation of all buried waste and Phase I Report (Section C.5.2) – This PI will be paid if the Contractor completes exhumation of all remaining buried waste per the Phase 1 RD/RA Work Plan for Operable Unit 7-13/14 by February 28, 2020; submit the draft Phase I Interim Remedial Action Report by August 31, 2020, which is ahead of the regulatory milestone, and finalize the document with regulatory agency acceptance in accordance with the FFA/CO by the end of the contract period; and have the waste shipped to WIPP by the end of the contract period of performance. Objective evidence is verification of documentation that the required exhumation footprint has been completed and certification includes review of waste tracking system documentation for confirmation that the waste meets the Waste Acceptance Criteria for WIPP. Objective evidence for shipment to WIPP includes submittal of the review of the shipping manifest provided by WIPP and verification that shipment was in accordance with the AI/OU 7-13-14 ROD, and the draft Phase I report was submitted by August 31, 2020 and finalized with regulatory agency acceptance in accordance with the FFA/CO by the end of the contract period.

If WIPP is not available, the Contractor will be paid 80% of the available fee if all of the exhumed buried waste is certified and ready to ship to WIPP per the AI/OU 7-13-14 ROD. The remaining 20% will be paid quarterly per cubic meter shipped when the exhumed buried waste is shipped to WIPP in accordance with the shipping schedule established by WIPP.

xii. PI-3 – Critical Failures –The Contractor shall accomplish the work in a safe and efficient matter. Performance Incentive Fee may be withheld by the Government to the extent the Contractor's performance is inadequate in, but not limited to, the following areas: (1) safety performance (Note: Use of this provision will not duplicate fee actions taken in accordance with DEAR 952.223-76); (2) failure to meet regulatory or court-ordered milestones not

covered by the above schedule milestones, annual milestones or performance incentives; (3) quality assurance performance per Section C.8.3.11 and Section H.33; (4) maintaining facilities and other infrastructure throughout the performance period to function at the same level and in the same condition as at the contract effective date; and (5) management of the Contractor's team, including major subcontractors, in accordance with the Contractor's Corporate Governance Plan attached in Section J. The Contracting Officer has discretion for the degree of the fee reduction up to the maximum fee amount for the Critical Failure Performance Incentive (PI-3) referenced in the ICP-Core CLIN 00001 CPIF Hybrid Fee Model per Section B.3 (d). The Contracting Officer also has the discretion to allow the Contractor to correct performance issues and potentially recover withheld fee. Not withstanding the reductions described in this PI-3, the reductions described in Section B.16 take precedence.

B.4 CLIN 00002 – COST INCENTIVE AND SCHEDULE MILESTONE FEE ALLOCATIONS AND CALCULATIONS

(a) For the purpose of the CLIN 00002 fee structure, the Total Fee includes the Cost Incentive and the Schedule Milestone. Minimum Fee is $0.

The Cost Incentive and Schedule Milestone are based on meeting contract requirements. The definition and acceptance criterion for the Schedule Milestone is described in Section B.4, paragraph (e). If the contract is modified under CLIN 00002, the allocation of fee dollar values will be determined at that time.

(b) **Cost Incentive Fee for CLIN 00002:**

i. Fee Allocation: The maximum available fee for the Cost Incentive equates to 35% of the total Maximum Fee for CLIN 00002.

ii. Fee Calculation: As specified in FAR 52.216-10, Incentive Fee, the cost incentive fee payable under CLIN 00002 shall be the target fee
   i. increased by twenty (20) cents for every dollar that the total allowable cost is less than the target cost (subject to the maximum fee limitation specified in Section B.4 (b)(i) above for work performed) or
   ii. decreased by twenty (20) cents for every dollar that the total allowable cost exceeds the target cost.

(c) **Schedule Milestone for CLIN 00002:**

i. Fee Allocation: The maximum available fee for the Schedule Milestone is $[**Contractor Fill-In**]. Sixty five percent (65%) of the total Maximum Fee for CLIN 00002 is allocated to the Schedule Milestone.

ii. **Schedule Milestones** Fee Calculation**:**

The Schedule Milestone Fee dollars from the Maximum Fee amount (i.e. max fee date achievement through the target fee date) to the Target Fee amount will be calculated on a sliding scale per calendar day basis. The day after the target fee date the Contractor earns zero fee.

(d) **ICP-Core CLIN 00002 CPIF Hybrid Fee Model.** See B.3 (e) which includes fee model for both CLINs 00001 and 00002.

(e) **ICP-Core CLIN 00002 Schedule Milestone Acceptance Criteria and Definition**

Listed below is the definition and acceptance criterion for SM-7. To document completion of the SM and in accordance with Section E Inspection and Acceptance, the Contractor shall submit objective evidence, including any necessary documentation, sufficient to demonstrate completion for the SM. The objective evidence for completion of the SM shall be submitted to the Contracting Officer for review and approval no later than 10 days after the SM is completed, or otherwise stated.

i. SM-7 NNPP PPF (RH-TRU LOT 10) (Section C.5.4.01 – 5.4.05) – For this SM completion criteria, the Contractor shall treat, ship, and dispose of the Naval Nuclear Propulsion Program (NNPP) 102 cans (Lot 10) to WIPP.

If WIPP is not available, the Contractor will be paid 80% of the available fee if all of the NNPP PPF waste is certified and ready to ship to WIPP by September 30, 2020. The remaining 20% will be paid quarterly per cubic meter shipped when the NNPP PPF waste is shipped to WIPP in accordance with the shipping schedule established by WIPP after the CH/RH-TRU waste backlog has been shipped.

Exclusions: RH-TRU Lots 1-9, 11 and 12.

B.5 NON-TARGET WORK SCOPE (CLIN 00003)

The activities described in Section B.1 for CLIN 00003 is work scope that is not included in the Target Cost under CLIN 00001 – TARGET ICP-CORE DOE MISSION WORK (CPIF) or under CLIN 00002 - Target ICP Core NNPP PPF Work as defined in Section B.1. The following work scope will be completed under CLIN 00003:

CLIN	PWS Section	Title/Scope
00003	C.7.3	NNPP SNF

B.6 CONTRACT PERFORMANCE CEILING

(a) The Contract Performance Ceiling established at contract award is **$[Contractor Fill-in]**, which is the target cost and maximum fee for CLIN 00001, the target cost and maximum fee for CLIN 00002, the estimated cost of CLIN 00003, and the estimated

transition cost for CLIN 00004. The Contract Performance Ceiling may be adjusted for directed changes in accordance with FAR 52.243-2 Changes – Cost Reimbursement (AUG 1987) and/or requests for equitable adjustments (REA) under CLIN 00001, CLIN 00002, CLIN 00003 (exclusive of fee) and/or CLIN 00004.

(b) If the Contract Performance Ceiling, as adjusted for any directed changes and/or REAs pursuant to paragraph (a) above, is exceeded, the Contractor shall pay all costs on a dollar-for-dollar cost share basis (0% Government/100% Contractor) up to the amount of paid provisional fee in CLIN 00001 and CLIN 00002. Once the Contract Performance Ceiling is exceeded, the Contractor will no longer be able to earn cost incentive fee under CLINs 00001 or 00002. If available unearned fee still exists for any of the SMs, AMs, or PIs under CLINs 00001 or 00002 per Sections B.3 or B.4, the Contractor may still receive provisional fee. However, once the Contract Performance Ceiling is exceeded any future earned fee from the SMs, AMs, or PIs under CLINs 00001 or 00002 shall be applied to the Contractor's cost share responsibility for the cost overruns. Monthly reconciliations for the Contractor's cost overrun responsibility will be performed by DOE once the Contract Performance Ceiling is exceeded and the Contractor's cost overrun responsibility will be adjusted. After the Contractor has paid all paid provisional fee from CLIN 00001 and CLIN 00002, then the Government shall pay costs of continued work for cost overruns using a share ratio of 100%/0% (Government/Contractor).

(c) All future DOE directed changes and/or Contractor requests for equitable adjustments to the PWS, relative to CLINs 00001, 00002, 00003 and/or 00004, will result in a change to the Contract Performance Ceiling in accordance with the FAR 52.243-2 Changes- Cost Reimbursement (Aug 1987).

(d) The Contract Performance Ceiling will be adjusted as options are exercised under CLIN 00001 in accordance with FAR 52.217-7 -- Option for Increased Quantity -- Separately Priced Line Item (Mar 1989).

(e) For CLIN 00001 and 00002 changes (including any exercised priced options), the Contract Performance Ceiling adjustment will be the same and equal to the negotiated target cost and maximum fee of the change. For CLIN 00003 and 00004 changes, the Contract Performance Ceiling adjustment will be the same and equal to the negotiated cost of the change and exclusive of fee for CLIN 00003.

B.7 DEFINED BENEFIT PENSION PLAN COSTS

The Idaho National Laboratory Employee Retirement Plan (INLERP) (a Defined Benefit Pension Plan) costs are included in the total contract cost identified in Section B.2 (b), but are not included in the Contract Performance Ceiling per Section B.6. A separate CLIN 00005 is established to fund the Defined Benefit Pension Plan Costs. The Contractor shall use designated Defined Benefit Pension Plan funding to reimburse the INL contractor for the ICP-Core share of the current Defined Benefit Pension Plan for incumbent (grandfathered) employees and retirees. Actual costs for the current Defined

Benefit Pension Plan for incumbent (grandfathered) employees and retirees shall be on a cost-reimbursement basis. The Defined Benefit Pension Plan costs are non-fee bearing in this contract.

B.8 DOE AUTHORIZATION OF WORK

The Contracting Officer (CO) will authorize work as follows:

(a) The Contractor's Interim Contract Performance Baseline shall detail the work activities to be performed to cover approximately the first 12 months of performance starting from the Notice To Proceed (NTP). Until DOE approves the Contract Performance Baseline, the Interim Contract Performance Baseline will be used to authorize work for one year pursuant to the Section H clause entitled *INTEGRATED WORK CONTROL SYSTEMS AND REPORTING REQUIREMENTS*.

(b) After the Interim and Final CPB's have been approved by DOE, the Contractor is authorized to conduct work in accordance with Section C and must work to the respective Contract Performance Baseline (CPB) subject to the limitations of the Section B clause entitled *Obligation and Availability of Funds*. The Contractor shall develop and maintain the CPB in accordance with Section H clause entitled *INTEGRATED WORK CONTROL SYSTEMS AND REPORTING REQUIREMENTS*. As determined to be necessary by DOE, the CO may make changes within the general scope of the contract in accordance with Section I clause FAR 52.243-2 *Changes-Cost Reimbursement*. The CO has review and concurrence authority during the CPB change management process. As additional activities and facilities are deemed available, the baseline change management process will be utilized for work authorization and could result in contract modifications to adjust scope and schedule.

(c) Within the PWS and as described in Section B.1, specific scope elements contain a priced option. In accordance with FAR 52.217-7 -- Option for Increased Quantity -- Separately Priced Line Item (Mar 1989) and subject to the availability of funding, this work may be added to the contract at the priced value included at contract award. While this priced scope is included in the PWS, it is not part of the Target Cost or Contract Performance Ceiling until the specific option(s) is exercised.

B.9 FEE PAYMENTS

(a) Provisional fee payments for the CLIN 00001 and 00002 cost incentives will be paid during the term of the contract on a quarterly basis as work progresses. Quarterly cost incentive fee payments will be paid by taking 80% of the cost incentive target fee and dividing it by the number of quarters in the period of performance. The remaining 20% of target fee will be withheld until the final fee determination is made in accordance with Section B.10.

(b) Provisional fee payments for the CLIN 00001 Annual Milestones will be paid during the term of the contract on a quarterly basis for AM-1, AM-2 and AM-4, and on annual basis for AM-3, as work progresses and as work is accepted by DOE in accordance with the Acceptance Criteria and Definitions within Section B.3 (f).

(c) Provisional fee payments for the CLIN 00001 and CLIN 00002 Schedule Milestones and the CLIN 00001 Performance Incentives will be paid upon completion and DOE acceptance in accordance with the Acceptance Criteria and Definitions within Sections B.3 (f) and B.4 (e). There will be no partial payment of SM-1 through SM-7 for completion of less than all of the work associated with the particular SM. There will be no partial payment of PI-1 or PI-2 for completion of less than all of the work associated with PI-1 or PI-2.

(d) If the Contractor meets the 12/31/2018 TRU waste Idaho Settlement Agreement milestone for certification and shipment of the ISA CH and RH TRU waste (this includes ISA TRU waste that assays as M/LLW after processing) to WIPP by December 31, 2018, then the fee associated with SM-2, SM-3, AM-1, AM-4, and PI-1 becomes earned fee at the maximum fee rate and is no longer subject to the fee 'claw back' per B.6 (b). If DOE does not provide adequate shipping assets to ship the waste to WIPP by 12/31/18, but all of the waste has been certified and is ready to ship by this date, then the 80% of available fee associated with certification will become earned fee at the maximum fee rate. Because the waste was certified by 12/31/18, the remaining 20% of available fee associated with shipping ISA CH and RH TRU waste will become earned fee at the maximum rate as the waste is shipped per the shipping schedule established by WIPP during the remainder of the contract period.

(e) If the Contractor meets the acceptance criteria and DOE accepts completion for PI-2 per B.3 (f) vii. and (f) x., then the fee associated with AM-2 and PI-2 becomes earned fee at the maximum fee rate and is no longer subject to the fee 'claw back' per B.6 (b). If DOE does not provide adequate shipping assets to ship the waste to WIPP in accordance with the AI/OU 7-13-14 ROD, but all of the waste has been certified and is ready to ship by this date, then the 80% of available fee associated with certification will become earned fee at the maximum fee rate. Because the waste was certified in accordance with the AI/OU 7-13-14 ROD, the remaining 20% of available fee associated with shipping exhumed buried waste will become earned fee at the maximum rate as the waste is shipped per the shipping schedule established by WIPP during the remainder of the contract period.

(f) Based on paragraph (a) above and an evaluation of the current CPI/SPI, if it is determined the Contractor will earn less than Target Fee for the cost incentive, the CO may adjust the provisional quarterly cost incentive fee payments downward proportionally, to a minimum of zero. If it is determined the Contractor will earn above Target Fee, the CO may adjust the provisional quarterly cost incentive fee

payments upward proportionally, to the Maximum Cost Incentive Fee Amount x 0.80/number of quarters.

(g) Critical Failures (PI-3): This Performance Incentive is specific to CLIN 00001. Fee may be reduced by the Government to the extent the Contractor's performance is inadequate in the described areas per Section B.3(f)(xiii)**.** The Contracting Officer has discretion for the degree of the fee reduction up to the maximum fee amount for the Critical Failures Performance Incentive (PI-3) referenced in the CLIN 00001 ICP-Core CPIF Hybrid Fee Model per Section B.3(e). The Contracting Officer also has the discretion to allow the Contractor to correct performance issues and potentially recover withheld fee. Quarterly provisional fee payments will be paid by taking 80% of the PI-3 fee and dividing it by the number of quarters in the period of performance. The remaining 20% of the PI-3 fee will be withheld until the final fee determination.

(h) CLIN 00003 fee will be earned and paid during the term of the contract on a quarterly basis as work progresses. Quarterly fee payments will be paid by taking the total amount of fee and dividing it by the number of quarters in the period of performance.

(i) CLIN 00006 fee will be earned on a per unit basis and will be paid during the term of the contract option on a quarterly basis as work progresses. Quarterly fee payments will be paid by taking the total number of gallons of sodium bearing waste treated within that quarter and multiplying it by the fixed fee per unit rate per Section B.2.

(j) Termination. If this contract is terminated in its entirety, fee shall be payable to the Contractor consistent with the FAR clauses 52.249-6 "Termination-Cost Reimbursement" and 52.216-10 "Incentive Fee" incorporated in Section I of this contract. Nothing in this paragraph shall limit or restrict the application of the clause entitled "Termination-Cost Reimbursement."

B.10 FINAL FEE DETERMINATION

The final fee determination for the work scope with the contract period of performance will be calculated in the following manner:

(a) **CLIN 00001 and 00002 Final Fee Calculations:**

i. If all work in the PWS and thereafter added under FAR 52.243-2 Changes-Cost Reimbursement clause is not completed by the end of the contract period of performance the target cost will be reduced by the budgeted cost of work scheduled (BCWS) that was not completed. The calculation will be Budgeted Cost of Work Scheduled at Completion minus the Cumulative Budgeted Cost of Work Performed. This target cost reduction will occur prior to the cost incentive fee calculation. The target fee will also be reduced accordingly.

The cost incentive will be calculated as per Section B.3(c) for CLIN 00001 and B.4(b) for CLIN 00002.

ii. Final Fee for Schedule Milestones, Annual Milestones and Performance Incentives will be calculated upon completion and DOE acceptance in accordance with the Acceptance Criteria and Definitions within Sections B.3 (f) and B.4 (e).

(b) **CLIN 00003 Final Fee Calculations:**

Payment to the Contractor will be the fee amount that is fixed at the inception of the contract per Section B.2. The fixed fee does not vary with actual cost, but may be adjusted at Section B. 2 as a result of changes in the work to be performed under the contract. The final fee calculation will be equal to the final negotiated fee amount per Section B.2 that may be adjusted throughout the contract period of performance as a result of changes in the work to be performed under the contract.

(c) **CLIN 00006 Final Fee Calculations:**

Payment to the Contractor will be the fixed fee per unit amount that is fixed at the inception of the contract per Section B.2. The fixed fee per unit amount does not vary with actual cost, but may be adjusted at Section B. 2 as a result of changes in the work to be performed under the contract. The final fee calculation will be equal to the fixed fee per unit amount per Section B.2 multiplied by the total number of gallons of sodium bearing waste treated (excluding rinsate).

(d) If the sum of provisional fee payments made during the period of the contract is greater than the overall fee that is calculated at the final fee determination, the Contractor shall reimburse the amount of fee already paid that is greater than the fee earned and shall pay interest to DOE in accordance with the prevailing Treasury rate(s) in effect at the time the payments were made. Any required reimbursement(s) to DOE shall be made within 45 business days of the CO final fee determination.

B.11 ALLOWABILITY OF SUBCONTRACTOR FEE

(a) If the Contractor is part of a teaming arrangement as described in FAR Subpart 9.6, Contractor Team Arrangements, the team shall share in the Total Maximum Fee as shown in Section B.2 (c). Separate, additional subcontractor fee is not an allowable cost under this Contract for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, majority-owned, or affiliate of any team member.

(b) The subcontractor fee restriction in paragraph (a) does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé firms as part of an approved Mentor-Protégé relationship under the Section H Clause entitled, Mentor-Protégé Program; (3) subcontractors under a competitively awarded firm-fixed price or firm-fixed unit price subcontract; or (4) commercial items as defined in FAR Subpart 2.1, Definitions.

B.12 OBLIGATION AND AVAILABILITY OF FUNDS

(a) Obligation of Funds. Total funds in the amount of $[**DOE to fill-in**] are obligated herewith and made available for payment of allowable costs and fee earned from the effective date of this contract through contract completion pursuant to the FAR Clause 52.232-22, "Limitation of Funds."

(b) Availability of Funds. Except as may be specifically provided in the Section I Clause DEAR 952.250-70, "Nuclear Hazards Indemnity Agreement," the duties and obligations of DOE hereunder calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the U.S. Congress that DOE may legally spend for such purposes.

B.13 CLIN 00004 - AUTHORIZATION OF TRANSITION COSTS UNDER THE CONTRACT

(a) The Contract Transition Period will begin with the issuance of a Notice to Proceed (NTP) by DOE. The Transition Period is estimated to be 90 days. During the Transition Period, the Contractor shall bring to the site its management team (including, but not limited to all Key Personnel) and other staff necessary to plan and conduct those activities that provide for an orderly transfer of responsibilities and accountability, as authorized by the CO. The Contractor shall coordinate its activities with DOE and the incumbent Contractor to accomplish these activities (see PWS Section C.2.0) in a manner that will provide an effective transition of personnel and work activities while minimizing the cost of this effort.

(b) There will be no fee for the transition period. However, the transition costs are included in the Contract Performance Ceiling.

B.14 MATERIAL DIFFERENCES

The Contractor shall identify any material differences in the actual contract conditions compared to the projected status established in the Request for Proposal (RFP), and shall identify and provide the Contracting Officer with a listing of such differences within 30 days after the Contract Effective Date so that the "true-ups" may be completed within 90 days of Contract Effective Date. Untimely submissions will not be considered. After the Contractor's Material Difference submission, the DOE and the Contractor will negotiate the final list of Material Differences that may require a change to the contract. If the Material Differences require changes to the contract as agreed to by DOE, the Contractor shall submit a change proposal in accordance with Section I clause FAR 52.243-2 *Changes-Cost Reimbursement*, after receipt of a written order from the Contracting Officer. The baseline (see Section H clause INTEGRATED WORK CONTROL SYSTEMS AND REPORTING REQUIREMENTS, part B, Baseline Development and Performance Reporting) shall be modified to reflect the accepted changes within 30 days after the executed contract modification associated with those changes as the baseline must align with the contract.

B.15 ADVANCE UNDERSTANDING - CHANGES TO COST AND FEE

(a) The Contractor is responsible for total performance under this contract, including selecting the specific approaches and methods to perform all work. For all contract work within the control of the Contractor, the consequences of any adverse Contractor work performance; consequences of any regulatory actions in response to adverse Contractor work performance; and/or inability to accomplish the Contractor's proposed technical approach shall not be a basis for an upward adjustment to fee(s), or Contract Performance Ceiling.

(b) The Government reserves the right to add work scope in support of the mission of the Idaho National Laboratory to be completed by the Contractor prior to contract completion. Fee earned as a result of completion of additional work scope will be subject to the fee limitations stipulated in B.2. The CO may initiate a change or consider Requests for Equitable Adjustment (REA) to the Contract Price and/or Schedule in accordance with the Section I Clause entitled, FAR 52.243-2, Changes – Cost Reimbursement.

(c) REAs shall be submitted in accordance with FAR part 15, specifically FAR Table 15-2, and must be in compliance with all applicable Cost Accounting Standard (CAS) and in accordance with the Contractor's Disclosure Statement. Cost related to REAs shall be in accordance with the Section I Clause entitled, FAR 52.243-6, Change Order Accounting.

(d) Cost and fee negotiations relating to indirect cost for any added/deducted change to the contract will be based on the incremental change to the indirect cost when compared to the proposed indirect costs contained in the contractor's awarded proposal. The Contractor shall provide supporting justification and documentation detailing the incremental increase in each indirect cost for each contract pricing action.

(e) DOE intends to obligate funding to the Contract in accordance with the following funding profile:

Funding Profile (in $M):

CLIN	Transition (March 1, 2016 through May 31, 2016)	Contract Period 1 (June 1, 2016 through September 30, 2016)	Contract Period 2 (October 1 2016 through September 30, 2017)	Contract Period 3 (October 1, 2017 through September 30, 2018)	Contract Period 4 (October 1, 2018 through September 30, 2019)	Contract Period 5 (October 1, 2019 through September 30, 2020)	Contract Period 6 (October 1, 2020 through May 31, 2021)	Total
CLIN 00001– Target ICP-Core DOE Mission Work (including options)		TBD	TBD	TBD	TBD	TBD	TBD	TBD
CLIN 00002 – NNPP-PPF				TBD	TBD	TBD		TBD
CLIN 00003 – NNPP-SNF		TBD	TBD	TBD				TBD
CLIN 00004 - Transition	TBD							TBD
CLIN 00006 – IWTU		TBD	TBD					TBD

Note: TBD amounts to be inserted at the time of Contract award

(f) The provided funding profile represents the Government's current estimate of future funding. Actual funding may be greater or less than these estimates. The above funding profile is an estimate only, not a guarantee of funding, and there is no commitment by DOE to request funds equivalent to this assumed funding. Available funds depend on Congressional appropriations and priorities within the DOE.

B.16 CONDITIONAL PAYMENT OF FEE

Based on the importance DOE places on the Contractor's or contractor employees' compliance with the terms and conditions of this contract relating to environment, safety and health (ES&H) (which includes worker safety and health and performance under an approved Integrated Safety Management System (ISMS)) and the safeguarding of restricted data and other classified information, fee determinations are subject to unilateral reductions. See Section I clause DEAR 952.223-76 *Conditional Payment of Fee or Profit – Safeguarding Restricted Data and Other Classified Information and Protection of Worker Safety and Health*.

B.17 PROVISIONAL PAYMENT OF FEE

(a) Notwithstanding any other term or condition of this contract to the contrary, this clause applies to and has precedence over all other terms and conditions of this contract that provide for provisional payment of fee.

(b) The Contractor must notify the Contracting Officer immediately if it believes any incongruence exists between this clause and any other term or condition of this contract that provides for provisional payment of fee. If a term or condition of this contract provides for provisional payment of fee but fails to include all of the

requirements of this clause, that term or condition will be considered to include the omitted requirements.

(c) This clause conforms to the Federal Acquisition Regulation and Department of Energy fee policy and constructs. The following definitions and concepts apply.

(1) *Price* means cost plus any fee or profit applicable to the contract.
(2) The terms *profit* and *fee* are synonymous.
(3) *Incentive* means a term or condition whose purpose is to motivate the Contractor to provide supplies or services at lower costs, and in certain instances with improved delivery or technical performance, by relating the amount of profit or fee earned to the Contractor's performance.
(4) *Earned fee* for an incentive means fee due the Contractor by virtue of its meeting the contract's requirements entitling it to fee. Earned fee does not occur until the Contractor has met <u>all</u> conditions stated in the contract for earning fee.
(5) *Available fee* for an incentive means the fee the Contractor might earn but has not yet earned.
(6) *Provisional payment of fee* for an incentive means the Government's paying available fee for an incentive to the Contractor for making progress towards meeting the performance measures for the incentive before the Contractor has earned the available fee.
(7) Provisional payment of fee has no implications for the Government's eventual determination that the Contractor has or has not earned the associated available fee. Provisional payment of fee is a separate and distinct concept from earned fee. The Contractor could, for example, receive 100% of possible provisional fee payments yet not earn any fee (the Contractor would be required to return all of the provisional fee payments). The Contractor could, for example, receive 0% of possible provisional fee payments yet earn the entire amount of available fee (it would not receive any fee payments until the Government's determination that the Contractor had earned the associated available fee for the incentive).
(8) *Clause* means a term or condition used in this contract.

(d) This contract's price, incentives included in its price, and all other terms and conditions reflect the Government's and the Contractor's agreement to link, to the maximum extent practical, the Contractor's earning of fee to its achievement of final outcomes rather than interim accomplishments.

(e) Certain terms and conditions of this contract provide for provisional payment of fee for certain incentives. Other terms and conditions of this contract provide for each such incentive the requirements the Contractor must meet to earn the fee linked to the incentive. The terms and conditions of this contract that provide for provisional payment of fee for certain incentives include for each such incentive the requirements the Contractor must meet before the Government is obligated to pay fee,

provisionally, to the Contractor and for the Contractor to have any right to retain the provisionally paid fee.

(f) The Contracting Officer, at his/her sole discretion, will determine if the Contractor has met the requirements under which the Government will be obligated to pay fee, provisionally, to the Contractor and for the Contractor to have any right to retain the provisionally paid fee.

(g) If the Contracting Officer determines the Contractor has not met the requirements to retain any provisionally paid fee and notifies the Contractor, the Contractor must return that provisionally paid fee to the Government within 30 days: (i) the Contactor's obligation to return the provisional paid fee is independent of its intent to dispute or its disputing the Contracting Officer's determination; and (ii) if the Contractor fails to return the provisionally paid fee within 30 days of the Contracting Officer's determination, the Government, in addition to all other rights that accrue to the Government and all other consequences for the Contractor due to the Contractor's failure, may deduct the amount of the provisionally paid fee from: amounts it owes under invoices; amounts it would otherwise authorize the Contractor to draw down under a Letter of Credit; or any other amount it owes the Contractor for payment, financing, or other obligation.

(h) If the Contractor has earned fee associated with an incentive in an amount greater than the provisional fee the Government paid to the Contractor for the incentive, the Contractor will be entitled to retain the provisional fee and the Government will pay it the difference between the earned fee and the provisional fee.