

**SECTION B**..... 2

**SUPPLIES OR SERVICES AND PRICES/COSTS**..... 2

**B.1 Type of Contract / Items Being Acquired** ..... 2

**B.2 Estimated Cost, Base, and Award Fee**..... 2

**B.3 Contract Funding Profile**..... 3

**B.4 Transition Period**..... 4

**B. 5 Conditional Payment of Fee or Profit - Safeguarding Restricted Data and Other Classified Information and Protection of Worker Safety and Health**..... 5

## PART I - THE SCHEDULE

### SECTION B

#### SUPPLIES OR SERVICES AND PRICES/COSTS

##### **B.1 Type of Contract / Items Being Acquired**

This is a cost plus award fee (CPAF) type contract for the \_\_\_\_\_ Site infrastructure services. The Contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this contract as furnished by the government) and otherwise do all things necessary for, or incident to, the performance of work as described in Section C, Statement of Work (SOW).

##### **B.2 Estimated Cost, Base, and Award Fee**

- (a) Pursuant to the far clause 52.216-7, entitled "Allowable Cost and Payment," the total estimated cost of this contract is \$\_\_\_\_\_.

This amount includes:

- (1) estimated cost for the transition period (as defined in B.4) of \$\_\_\_\_\_; and
- (2) estimated cost for the performance of the contract (not including transition period) of \$\_\_\_\_\_.

- (b) No fee is payable for the transition period.
- (c) The fixed fee for the first two months of performance of the contract is \$\_\_\_\_\_ (limited to a maximum of five percent of estimated cost for this period).
- (d) The base fee is \$\_\_\_\_\_ for the remainder of the contract (i.e. five years minus transition and fixed fee period).
- (e) The award fee for this contract shall be awarded upon the unilateral determination of DOE's fee determination official (FDO) that an award fee has been earned. The unilateral decision is made solely at the discretion of the government. This determination shall be based upon the FDO's evaluation of the Contractor's performance, as measured against the evaluation criteria set forth in the award fee plan. Provisional payment of a proportional monthly amount equivalent to 80% of the available award fee for the period will be allowed.

Immediately upon the FDO’s final determination of the fee for the period, the Contractor may bill any amount not previously paid or must repay any excess amount paid.

The total available award fee for the contract is \$\_\_\_\_\_. Award fee available for each period is as set forth in the award fee plan. Should the anticipated scope per fiscal year increase or decrease by an estimated 10% or greater from the scope as priced in the contract for that year, the Contractor and Government will enter into good faith negotiations to reduce the fee pool for that year (and subsequent years as may be appropriate) accordingly.

- (f) The total amount of this contract including award fee is \$\_\_\_\_\_ (total of a, c, d and e above). This amount includes (the FY and total amounts cannot exceed the annual funding limitations in B.3.):

Fiscal Year	Amount of Contract
FY 2004	\$
FY 2005	\$
FY 2006	\$
FY 2007	\$
FY 2008	\$
FY 2009	\$
Total	\$

- (g) Pursuant to the FAR clause 52.232-22, entitled "Limitation of Funds," the total amount of incremental funding allotted to this contract is \$\_\_\_\_\_(TBD)\_\_\_\_\_. It is estimated that this amount is sufficient to cover performance through \_\_\_\_\_(TBD)\_\_\_\_\_.
- (i) Financial Plans: Cost and Commitment Limitations. In addition to the limitation specified above or elsewhere in this contract DOE will issue Financial Plans to the contractor to establish controls on the cost and commitments to be made in the performance of this contract. A Financial Plan is a document issued by DOE that provides the Contractor with the available funding by administrative control points. The Contractor may not spend an amount in excess of the limit stated for each administrative control point.

**B.3 Contract Funding Profile**

Subject to the availability of funds, the contract will be funded in accordance with the schedule provided below. Such funds shall provide for all allowable and allocable billings for cost and fee for the indicated

fiscal year. It is anticipated that annual contract funding will be provided on or before November 30th of each year in the amounts as stated below. Please note that the amounts stated will be incrementally funded and, therefore, will not all be available on November 30<sup>th</sup>.

Fiscal Year	Portsmouth Funding	Paducah Funding
FY 2004	\$ 5,000,000	\$ 4,000,000
FY 2005	\$ 24,000,000	\$ 18,000,000
FY 2006	\$ 25,000,000	\$ 19,000,000
FY 2007	\$ 25,000,000	\$ 19,000,000
FY 2008	\$ 25,000,000	\$ 20,000,000
FY 2009	\$ 25,000,000	\$ 20,000,000
Total	\$ 129,000,000	\$ 100,000,000

#### **B.4 Transition Period**

- (a) During the period of transition, specified in the clause entitled “Term of Contract,” the Contractor shall perform those activities necessary to be prepared to assume full responsibility for the statement of work after 90 days from the effective date of this contract. During the period the Contractor shall bring its management team and other staff necessary to plan and conduct those activities that provide for an orderly transfer of responsibilities and accountability. The transition plan will be due to the Department for approval within seven calendar days after award of the contract. Once the transition plan is approved by DOE the Contractor will conduct subsequent activities in accordance with the approved plan. The Contractor shall coordinate its activities with DOE and the incumbent contractor so as to accomplish these activities in a manner that will provide an effective transition of personnel and work activities while minimizing the cost of this effort.
- (b) The Contractor shall put into place any agreements it deems necessary between it and other site contractors for provision of services. The Contractor shall obtain or transfer all necessary permits and licenses. These services may be provided to or by other site contractors. The Contractor is responsible for cost of and arrangement for all necessary logistical support (office space, computers, telephone, etc.), unless specifically directed by DOE. Available government furnished facilities, property, services and items are identified in attachments to section J.

## **B. 5 Conditional Payment of Fee or Profit - Safeguarding Restricted Data and Other Classified Information and Protection of Worker Safety and Health**

*The Contractor agrees to the inclusion of the final published version of clause 952.XXX, Conditional Payment of Fee or Profit – Safeguarding Restricted Data and Other Classified Information and Protection of Worker Safety and Health, once issued.*

(a) General. (1) The payment of fee or profit (i.e., award fee, fixed fee, and incentive fee or profit) under this contract is dependent upon the contractor's compliance with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information (i.e., Formerly Restricted Data and National Security Information) and relating to the protection of worker safety and health, including compliance with applicable law, regulation, and DOE directives. The term "contractor" as used in this clause to address failure to comply shall mean "contractor or contractor employee."

(2) In addition to other remedies available to the Federal Government, if the contractor fails to comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information or relating to the protection of worker safety and health, the contracting officer may unilaterally reduce the amount of earned fee, fixed fee, or profit that is otherwise payable to the contractor in accordance with the terms and conditions of this clause.

(3) Any reduction in the amount of fee or profit earned by the contractor will be determined by the severity of the contractor's failure to comply with contract terms and conditions relating to the safeguarding of Restricted data or other classified information or relating to worker safety and health pursuant to the degrees specified in paragraphs (c) and (d) of this clause.

(b) Reduction Amount. (1) If in any period (see 48 CFR 952.223-76 (b)(2)) it is found that the contractor has failed to comply with contract terms and conditions relating to the safeguarding of Restricted Data or other classified information or relating to the protection of worker safety and health, the contractor's earned fee, fixed fee, or profit of the period may be reduced. Such reduction shall not be less than 26% nor greater than 100% of the total fee or profit earned for a first degree performance failure, not less than 11% nor greater than 25% for a second degree performance failure, and up to 10% for a third degree performance failure. The contracting officer must consider mitigating factors that may warrant a reduction below the specified range (see 48 CFR 904.402(c))

and 48 CFR 923.7001(b)). The mitigating factors may include, but are not limited to, the following ((v), (vi), (vii), and (viii) apply to WS&H only):

- (i) Degree of control the contractor had over the event or incident.
- (ii) Efforts the contractor had made to anticipate and mitigate the possibility of the event in advance.
- (iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.
- (iv) General status (trend and absolute performance) of: safeguarding Restricted Data and other classified information and compliance in related security areas; or of protecting WS&H and compliance in related areas.
- (v) Contractor demonstration to the Contracting Officer's satisfaction that the principles of industrial WS&H standards are routinely practiced (e.g., Voluntary Protection Program Star Status).
- (vi) Event caused by "Good Samaritan" act by the contractor (e.g., offsite emergency response).
- (vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain WS&H performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, WS&H programs).
- (viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in WS&H by use of lessons-learned and best practices inter- and intra-DOE sites.

(2)(i) For purposes of this clause, the contracting officer will at the time of contract award, or as soon as practicable thereafter, allocate the total amount of fee or profit that is available under this contract to equal periods of [insert 6 or 12] months to run sequentially for the entire term of the contract (i.e., from the effective date of the contract to the expiration date of the contract, including all options). The amount of fee or profit to be allocated to each period shall be equal to the average monthly fee or profit that is available or otherwise payable during the entire term of the contract, multiplied by the number of months established above for each period.

(ii) Under this clause, the total amount of fee or profit that is subject to reduction in a period in which a performance failure occurs, in combination with any reduction made under any other clause in the contract that provides for a reduction to the fee or profit, shall not exceed the amount of fee or profit that is earned by the contractor in the period established pursuant to paragraph (b)(2)(i) of this clause.

(3) For performance-based firm-fixed-price contracts, the contracting officer will at the time of contract award include negative monetary incentives in the contract for contractor violations relating to the safeguarding of Restricted Data and other classified information and relating to protection of worker safety and health.

(c) Safeguarding Restricted Data and Other Classified Information. Performance failures occur if the contractor does not comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information. The degrees of performance failures relating to the contractor's obligations under this contract for safeguarding of Restricted Data and other classified information are as follows:

(1) First Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Top Secret, or any classification level of information in a Special Access Program (SAP), identified as sensitive compartmented information (SCI), or weapons data categorized as SIGMA 14 OR SIGMA 15.

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Restricted Data, or other information classified as Top Secret, or any classification level of information in a Special Access Program (SAP), identified as sensitive compartmented information (SCI), or weapons data categorized as SIGMA 14 OR SIGMA 15.

(iii) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Restricted Data or other classified information classified as Top Secret, or any classification level of information in a Special Access Program (SAP), identified as sensitive compartmented information (SCI), or weapons data categorized as SIGMA 14 OR SIGMA 15.

(2) Second Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Secret.

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Restricted Data, or other information classified as Secret.

(iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Restricted Data or other classified information regardless of classification.

(iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Secret.

(3) Third Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security. In addition, this category includes performance failures that result from a lack of contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future, more severe performance failures and/or conditions, and if identified and corrected early would prevent serious incidents. The following are examples of performance failures or performance failures of similar import will be considered third degree:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential.

(ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information.

(iii) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the contractor's Safeguards and Security Plan or other security plan, as applicable.

(iv) Contractor actions that result in performance failures which unto themselves pose minor risk, but when viewed in the aggregate indicate degradation in the integrity of the contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information.

(d) Protection of Worker Safety and Health (WS&H). Performance failures occur if the contractor does not comply with the contract's WS&H terms and conditions, which may be included in the DOE approved contractor ISMS. The degrees of performance failure under which reductions of earned or fixed fee, profit, or share of cost savings will be determined are:

(1) First Degree: Performance failures that are most adverse to WS&H or could threaten the successful completion of a program or project. For contracts including ISMS requirements, failure to develop and obtain required DOE approval of WS&H aspects of an ISMS is considered first degree. The Government will perform necessary review of the ISMS in a timely manner and will not unreasonably withhold approval of the WS&H aspects of the contractor's ISMS. The following performance failures or performance failures of similar import will be deemed first degree when noncompliance with the contract's WS&H terms and conditions results in:

(i) Type A accident (defined in DOE Order 225.1A).

(ii) Two Second Degree performance failures during an evaluation period.

(2) Second Degree: Performance failures that are significantly adverse to WS&H. They include failures to comply with approved WS&H aspects of an ISMS that result in an actual injury, exposure, or exceedence that occurred or nearly occurred but had minor practical long-term health consequences. The following performance failures or performance failures of similar import will be considered second degree when noncompliance with the contract's WS&H terms and conditions results in:

- (i) Type B accident (defined in DOE Order 225.1A).
- (ii) Non-compliance with approved WS&H aspects of an ISMS that results in a near miss of a Type A or B accident. A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, but does not result in an adverse effect.
- (iii) Failure to mitigate or notify DOE of an imminent danger situation after discovery, where such notification is a requirement of the contract.

(3) Third Degree: Performance failures that reflect a lack of focus on improving WS&H. They include failures to comply with approved WS&H aspects of an ISMS that result in potential breakdown of the contractor's WS&H system. The following performance failures or performance failures of similar import will be considered third degree when noncompliance with the contract's WS&H terms and conditions results in:

- (i) Failure to implement effective corrective actions to address deficiencies/non-compliance documented through external (e.g., Federal) oversight and/or reported per DOE Order 232.1A requirements, or internal oversight of DOE O 440.1A requirements.
- (ii) Multiple similar non-compliances identified by external (e.g. Federal) oversight that in aggregate indicate a significant WS&H system breakdown.
- (iii) Non-compliances that either have, or may have, significant negative impacts to workers that indicates a significant WS&H system breakdown.
- (iv) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the contract.

