

PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

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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) contract that includes performance incentives. The Contractor shall be responsible for planning, managing, integrating, and executing the work described in Section C, Statement of Work (SOW). The Contractor shall furnish all personnel, facilities, equipment, supplies, and services (except for the Government-furnished facilities and equipment listed in Exhibit C.2 and in Section J, Attachment H) and otherwise do all things necessary for performing in a safe, efficient, and effective manner.

B.2 CONTRACT FUNDING

Funds obligated to the contract are available until expended (i.e., uncosted funds carry forward to subsequent years). It is anticipated that contract funding will be incrementally provided.

Pre-Contract Accrued Employee Leave – Funding in the amount of \$2,721,113.76 is provided as non-contract costs for previous M&O employee earned but unpaid vacation balances prior to the contract start date. The contractor is authorized to invoice the Department of Energy only when the employee accrued vacation balance in the accounting records is below the original stated value of \$2,721,113.76, less any invoiced amounts. The contractor shall submit a separate invoice for payment of this vacation balance usage and follow the same submittal schedule (and terms) as identified in G.6.

B.3 TOTAL ESTIMATED COST AND FEE

- (a) The Estimated Cost is \$ 448,256,946 (excluding transition costs and fee).
- (b) The Transition Cost is \$ 1,732,268.
- (c) The Maximum Fee is \$ 15,929,756 (Maximum Fee cannot exceed 10% of the Estimated Cost). There is no fee for transition.
- (d) The Total Estimated Cost (including transition cost) and Fee is \$ 465,918,970.

B.4 PERFORMANCE INCENTIVES**(a) Measure 1 – Waste Disposition Incentive**

To earn this fee as provided below, the Contractor shall complete waste disposition in accordance with Section C.4. However, this fee will not be paid for any wastes addressed in Section C.3.3 and ICP waste activities in C.4.2 and C.4.5.

Waste Disposition Incentive applies to the revised baseline dated July 2014 Rev. 1, for 6,762 cubic meters (m³) as follows:

- (1) Available Fee: \$5,351,582 (\$791.42/m³)
 - (i) Fee for primary Mixed Low-Level Waste (MLLW) shipped or legacy waste void volume will be earned at a rate of \$791.42/m³ as follows:
 - a. Treatment Facility (TF) Void Volume earned at 100% of available fee/m³ as shown above.
 - b. Void Volume = TF Input Volume – TF Export Volume
 - c. Export Volume includes waste from Supercompactor or backed out through other avenues during this contract modification period.
 - (ii) Cargo Container Void Volume at 100% of available fee/m³ as shown above.

Void Volume = Cargo Container Volume (36.25 m³) – Volume of Drums/Boxes Removed from Cargo
 - (iii) Fee for legacy TRU waste certified (see definition below) will be earned at a rate of \$593.57/m³.
- (2) Waste Disposition Incentive for MLLW shipped or TRU waste certified beyond the 6,762 m³ (B.4(a)(1)) will be earned at a rate of \$1,000/m³.
- (3) Fee is earned based on the Contractor's performance against the baseline as measured by the Quantity and Schedule Performance Index (QSPI) in two month intervals as follows:
 - (i) The two-month period shall coincide with the closing date for the second monthly report.
 - a. The parties agree to the production plan and effective date establishing the first two-month period in the table below (Table 1).
 - (ii) QSPI equals the actual production volume for all waste divided by the planned production volume for all waste.
 - (iii) Fee is earned and paid at the below rates for the stated QSPI:
 - a. QSPI < 0.95 – 90% of fee per m³
 - b. QSPI ≥ 0.95 but ≤ 1.05 – 100% of fee per m³
 - c. QSPI > 1.05 – 110% of fee per m³

Table 1

Period for QSPI Calculations		Legacy Waste (m³)	New Gen (Process Generated) (m³)	Total (m³)
Jul 21 - Sep 30	August 2014 - September 2014	997	358	1,355
Oct 1 - Nov 23	October 2014 - November 2014	839	360	1,199
Nov 24 - Jan 25	December 2014 - January 2015	779	183	962
Jan 26 - Mar 22	February 2015 - March 2015	862	422	1,283
Mar 23 - May 24	April 2015 - May 2015	920	432	1,353
May 25 - Jul 26	June 2015 - July 2015	1,029	514	1,543
Jul 27 - Sep 30	August 2015 - September 2015	1,336	533	1,869
Total		6,762	2,802	9,564

(4) Waste Disposition is defined as:

- Transuranic (TRU) waste (AMWTP stored* waste and offsite waste, see Section C.3.4) that has been processed, such that it is certified for disposal (see Section C.4), but not shipped is defined as TRU waste processed to the point that it is entered in the WIPP Data System (WDS) database and needs only to be put into a virtual payload and gathered from the storage location for final payload assembly and can be transported beyond the boundary of the state of Idaho in accordance with the Idaho Settlement Agreement once WIPP operations resume; and
- Mixed Low-Level Waste (MLLW) (AMWTP stored* waste) that has been characterized, packaged, and certified to meet the applicable treatment and/or disposal facilities' waste acceptance criteria, has been transported beyond the boundary of the state of Idaho in accordance with the Idaho Settlement Agreement, and has been accepted by the appropriate treatment/disposal facility.

*AMWTP stored waste is waste stored in a retrievable, above ground configuration and identified by the Department of Energy (DOE) as part of the original 65,000 m³ of Historically Managed Stored TRU Waste.

(5) Waste Disposition incentive fee is paid on a per m³ basis, and the Contractor shall submit requests for payment of fee for waste dispositioned every two (2) months, after the monthly report is submitted to DOE. Only the volume of the original waste container (prior to overpacking, compaction, etc.) will be considered for the volume of waste disposed.

(b) Measure 2 – Waste Retrieval Incentives: Retrieval fee is only earned for work performed in the Retrieval Containment Enclosure (RCE), not cargo container unloading.

- (1) To earn a waste retrieval incentive of \$1,000,000, the Contractor shall remove and export from the RCE:
- (i) all legacy waste from Cell 2;
 - (ii) the soil barrier, which serves as a fire break, between Cells 1 and 2; and
 - (iii) the initial row of boxes from Cell 1 to allow unhindered access to Cell 1 drum faces, as measured by exposed faces of drums on the north face of Cell 1, but not including the side and center stacks of boxes.

The following may remain in the RCE: equipment necessary for operations in the area; materials routinely staged for process generated waste accumulation, shoring and spares; and soils located along the south, east and west faces of the RCE that do not interfere with waste removal. “Stair-stepping” of the active waste face will be required to ensure stability. The Contractor’s engineering staff will determine the degree of stair stepping required.

- (2) The Contractor may earn additional fee of \$250,000 for each additional complete row of drums removed from the north face of Cell 1 as measured by exposed faces of drums on the north face of Cell 1 but not including side and center stacks of boxes, in accordance with the following:
- (i) Entire drum face removed to expose asphalt floor;
 - (ii) Drums removed all the way across leaving a new drum face;
 - (iii) Boxes that fully extend beyond the new drum face must be removed;
 - (iv) Boxes that partially extend beyond the new drum face may be left in place; and
 - (v) Stair-stepping subsequent rows as necessary for stack stability.

(c) Measure 3 - Other Milestones

Additional fee may be earned by completing the Milestones listed below:

- (1) \$125,000 of fee may be earned by completing all of the following:
- (i) Introduction of high Fissile Gram Equivalent (FGE) (>325 and ≤450 FGE) into the Treatment Facility (TF). Develop and implement a set of criticality controls, as necessary, to introduce boxes >325 and ≤450 FGE into the TF. Completion of this item occurs when the first box is introduced into the TF.
 - (ii) Introduction of high PEC waste into the TF. Complete processing of all PEC containers identified in Table 1, High PEC Mound Boxes, contained in RPT-SER-02 (dated November 20, 2013).
 - (iii) Complete Retrieval Box Assay System (RBAS) audit by successfully completing the EPA audit demonstrated by acceptable resolution of any audit findings.

- (2) \$125,000 of fee is earned by completion of a soil waste stream (\$4000) CBFO certification audit demonstrated by acceptable resolution of any audit findings.
- (3) \$50,000 of fee is earned upon completion of RBAS certification by CBFO as demonstrated by a revision to the certification authority granted to ITG.
- (4) \$100,000 of fee is earned for introduction of up to 800 FGE into the TF by development and implementation of criticality controls, as necessary; and introducing the first >450 FGE box into the TF. Completion of this item occurs when the first box is introduced into the TF.
- (5) \$150,000 of fee is earned for introduction of up to 1,200 FGE into the TF by development and implementation of criticality controls, as necessary; and introducing the first >800 FGE box into the TF. Completion of this item occurs when the first box is introduced into the TF.
- (6) \$150,000 of fee is earned by processing the current inventory of 395 containers of squeezants, as identified by the List of Squezzant Containers, dated August 5, 2014, in accordance with the following schedule:
 - (i) \$75,000 is earned when the contents of 100 containers on the List of Squezzant Containers, dated August 5, 2014, are either certified as TRU or shipped off-site as MLLW; and
 - (ii) the remaining \$75,000 is earned on a prorated basis for each container of the remaining 295 container population that is either certified as TRU or shipped off-site as MLLW.

The intent of selecting 100 containers is for the Contractor to develop a certification and/or disposal process that addresses all three of the existing configurations, e.g., liquid, partially solidified and solidified.

- (7) \$125,000 of fee is earned upon completing transfer of 105 empty cargo containers to CWI along with data for external contamination and radiation levels associated with the containers by no later than June 1, 2015.
- (8) A total of \$200,000 of fee is available for preparing Certified Rows of TRU waste, which includes mixed TRU waste. A "Certified Row" means: (i) a row of waste in container types that are compatible for assembly of payloads to ship to WIPP (e.g., drums and boxes cannot be mixed in a certified row because they cannot be loaded into a single payload); (ii) each container in the row has been certified in the WIPP data system; and (iii) no container has an open Non-Conformance Report against it.

Each Certified Row shall:

- (i) meet the total container count for the respective type of container set forth in the below Standard Stacking Rows Table;
- (ii) be clearly segregated and marked in the storage modules;
- (iii) not be disassembled without prior agreement between DOE and ITG, except in the case of an emergency; and
- (iv) be independently verifiable by DOE.

STANDARD STACKING ROWS TABLE

Container Count	Height	Back Row Height	Width	Length	Total
100-gallon drums	3	3	3	16	144
55-gallon drums	5	4	4	22	436
83-gallon drums	4	4	3	18	216
SWBs	4	3	4	11	172
SRP 55-gallon drums	5	4	4	22	436

ITG will earn fee at the rate of \$63 for each cubic meter of waste in a completed Certified Row. Fee for this measure will only be paid for certified TRU waste that is placed into a completed Certified Row with two exceptions. One, for any Certified Row that is not complete on September 30, 2015, due to the lack of adequate waste available to fill the row completely in accordance with the requirements of the Standard Stacking Rows Table, DOE shall pay fee for the partially completed Certified Row that contains at least enough containers for one shipment. Two, for any partially completed Certified Row resulting from other circumstances, such as lack of space due to building configuration, DOE shall pay fee based on the size and content of the partially completed Certified Row.

ITG will invoice DOE for the waste in each Certified Row at the end of the Contract period. ITG shall include the location of the Certified Row as part of its invoice. Along with its invoice, ITG shall provide supporting documentation that identifies the following for each container in a Certified Row:

- o Container Identification Number
- o XYZ Grid Location
- o Container Type
- o Waste Stream

- (9) Fee for transfer of solidified waste to CH2M-WG Idaho, LLC (CWI) for treatment as part of the Sludge Repackaging Project (SRP) will be earned at the rate of \$43.08 per drum equivalent transferred as of September 30, 2015. Fee for this measure is contingent on ITG meeting the agreed upon schedule that is developed as part of the CWI-ITG memorandum of agreement, such that CWI sludge operations are not adversely impacted by events within the control of ITG. Impact could be caused by issues such as: lack of feed, or lack of storage space caused by delayed return of treated waste to AMWTP.

- (10) A total of \$100,755 of fee is available for transition of the characterization work scope being performed by the Central Characterization Project (CCP) on the CH-TRU waste to the AMWTP contractor, to be completed by September 30, 2015. The characterization scope being transitioned is the Visual Examination (VE) being performed at the CWI-operated Accelerated Retrieval Project (ARP) Units and the Nondestructive Assay (NDA) being performed by CCP in the ITG-operated Waste Management Facility (WMF)-610 building. To perform these characterizations, ITG shall also transition the Acceptable Knowledge (AK) for the waste streams associated with the waste being characterized.

\$60,453 in Available Fee is earned upon completion of the transition of VE, which includes the following:

- Complete software modifications to ITG waste tracking system (WTS)
- Implement ITG VE procedures
- Transition staff to ITG (subcontract or direct hire)
- Complete training of staff

\$20,151 in Available Fee is earned upon completion of the transition of AK, which includes the following:

- Submit applicable, modified waste stream AK summary reports to CBFO for approval

\$20,151 in Available Fee is earned upon the transition of NDA, which includes the following:

- Implement Canberra Supervisor Software
- Implement ITG NDA procedures
- Transition staff to ITG (subcontract or direct hire)
- Training of staff

(d) Fee Reductions

Fee may be reduced for failure to achieve the following:

- (1) \$1,000 per m³ reduction for MLLW/LLW process generated waste (estimated to be 2,802 m³) not shipped by September 30, 2015, except for waste generated in the last 60 days of the contract period of performance. If any of the 1,208 m³ of SRP secondary waste from CWI requires rework or results in ITG being unable to continue disposal of waste at NNSS, DOE will determine if the matter was within ITG's control prior to executing any fee reduction.
- (2) \$250,000 reduction if all 115 large items are not removed from the TF boxline by September 30, 2015.
- (3) \$250,000 reduction if all 105 empty cargo containers are not transferred to CWI by June 2, 2015.

- (4) \$1,000,000 reduction in earned fee if the Contractor does not remove:
 - (i) all legacy waste from Cell 2;
 - (ii) the soil barrier, which serves as a fire break, between Cells 1 and 2; and
 - (iii) the initial row of boxes from Cell 1 such that there is unhindered access to Cell 1 drum faces, as measured by exposed faces of drums on the north face of Cell 1, but not including the side and center stacks of boxes in Cell 1.

- (5) \$1,000 per m³ reduction for any legacy waste remaining in Cell 2, as of September 30, 2015.

- (e) However, fee is provisional and may be withheld by the Government to the extent the Contractor's performance is inadequate in the following areas: (1) safety performance; (2) quality performance; (3) earned value performance; (4) WIPP Eight (8)-week Rolling Schedule performance (once WIPP operations resume); (5) shipment of adequate quantities of the Idaho Cleanup Project (ICP) waste exhumed from the Subsurface Disposal Area (once WIPP operations resume); (6) facility maintenance obligations; (7) investment in reliability improvements; and (8) sustained progress on disposition of waste that cannot be shipped to WIPP. Only the volume of the original waste container (prior to overpacking or treatment) will be considered for the volume of waste disposed.

- (f) Further, provisional fee paid to-date, as adjusted by B.4(e) or conditional payment of fee provisions (Section I.115, DEAR 952.223-76), will become earned fee upon completing certification of every 7,000 m³ of waste (i.e., 7,000 m³, 14,000 m³, 21,000 m³, etc.) or at the end of the contract period. The Government will not pay interest on provisional fee that becomes earned fee under this subparagraph.

- (g) If the total allowable cost exceeds the estimated cost at the end of the contract period, whether or not the incentives are completed, fee may be decreased as determined by the Contracting Officer.

- (h) If the provisional fee payments made during the period of the contract are greater than the overall fee that is calculated by the Contracting Officer in the final fee determination, the Contractor shall reimburse the amount of fee already paid that is greater than that earned and shall pay interest to DOE in accordance with the prevailing Treasury rate(s) in effect at the time the payments were made.

- (i) Fee Limitation
 No base fee will be paid under this contract. There is a single fee pool under this contract. Allowability of subcontractor fee is as follows:
 - (1) 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 Maximum Fee [Section B.3(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.

- (2) The subcontractor fee restriction in paragraph B.4(i)(1) does not apply to members of the Contractor's team that are: (i) small business(es); (ii) Protégé firms as part of an approved Mentor-Protégé relationship under Section I.113 DOE Mentor-Protégé Program; (iii) subcontractors under a competitively awarded firm-fixed-price or firm-fixed-unit-price subcontract; or (iv) commercial items as defined in FAR Subpart 2.1, Definitions of Words and Terms.

B.5 ITEMS NOT INCLUDED IN ESTIMATED COST

The Government reserves the right to require the contractor to perform additional work scope. If additional funding is made available, DOE may add work scope to be completed by September 30, 2015. The additional work to be performed, the estimated costs, and the associated fee will be negotiated and the contract will be modified prior to the Contractor commencing any such work. Fee earned as a result of completion of additional work scope is not currently included in the maximum fee specified in B.3(c) above.

B.6 OBLIGATION OF FUNDS

Total funds in the amount of \$/see latest Funding Modification/ are obligated herewith and made available for payment of allowable costs and fee from the effective date of the contract through September 30, 2015, subject to Federal Acquisition Regulation (FAR) Clause 52.232-22 Limitation of Funds.