

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 \$510,431,946 (excluding transition costs and fee).
- (b) The Transition Cost is \$ 1,732,268.
- (c) The Maximum Fee is \$19,349,964 (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 \$531,514,178.

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 six-month performance period of October 1, 2015 through March 31, 2016 as follows:

(1) Available Fee:

- (i) Base – \$337,208 (\$775.19/m³) Fee for primary Mixed Low-Level Waste (MLLW) shipped, legacy TRU waste certified (see definition below) or legacy waste void volume will be earned at a rate of \$775.19/m³, processed up to the baseline quantity of 435 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.
 - d. The baseline quantity does not include certified Sludge Repackaging Project waste.
- (ii) Stretch – (\$969/m³) Fee for primary Mixed Low-Level Waste (MLLW) shipped, legacy TRU waste certified (see definition below), or legacy waste void volume processes as defined above, processed beyond the baseline quantity of 435 m³.
- (iii) Base – (\$65/drum) Fee for certification (see definition below) of drums generated by the ICP Contractor from waste packaged at the Accelerated Retrieval Project.

(2) Waste Disposition is defined as:

- Transuranic (TRU) waste (AMWTP stored* waste and ARP waste**) 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 certified for transportation, put into a virtual payload, gathered from the storage location for final payload assembly, and 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.

**ARP waste is waste that has been exhumed from the subsurface disposal area and packaged by the ICP Contractor and transferred to AMWTP for storage and/or characterization/certification.

- (3) Waste Disposition incentive fee is paid monthly on a per m³ basis, 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. Void volume associated with empty cargo containers, and volume associated with drums placed into 85-gallon or other overpack containers, regardless of the overpack date, will not be considered for payment of fee against this measure.

(b) Measure 2 – Waste Retrieval Incentives (\$1,170,000 Base): Retrieval fee is earned for work performed in the Retrieval Containment Enclosure (RCE) and for work performed in the Cargo Container Enclosure (CCE).

- (1) To earn the RCE waste retrieval incentive of \$800/m³, the Contractor shall remove and export from the RCE:
- (i) Base – (\$800,000) Fee for removal and export from the RCE up to 1,000 m³ of the remaining legacy waste from Cell 1 by March 31, 2016. If the Contractor completes removal of 1,052 m³ of legacy waste by March 31, 2016, an additional \$100,000 of fee is earned.
 - (ii) Stretch – (\$500,000) Fee for removal and export from the RCE of all waste up to the last three (3) rows which consists of two (2) rows of drums and one (1) row of boxes, by March 31, 2016.

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) To earn the CCE waste retrieval incentive of \$270,000, the Contractor shall remove and export cargo containers:
- (i) Base – (\$270,000) Fee of \$15,000 is earned for each cargo container completed, up to 18 cargo containers by March 31, 2016.

- (ii) Stretch – (\$50,000) Fee of \$25,000 is earned for each additional cargo container, above 18, that is completed by March 31, 2016.

(c) Measure 3 - Other Milestones

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

- (1) Base – (\$950,000) Fee will be available for successful completion of the Infrastructure Improvement Project (IIP) after a baseline is agreed upon and implemented, per the following requirements:
 - a. \$50,000 of fee is earned if the Contractor submits an IIP scope and schedule to DOE by October 31, 2015.
 - b. All IIP activities will be managed separately from other operations activities at AMWTP, and project cost and schedule performance will be separately tracked for these activities.
 - c. Available fee for infrastructure improvements is \$900,000 and will be allocated as agreed upon between DOE and Contractor within 15 calendar days of concurrence with IIP scope and schedule. The parties will make a good faith effort to reach concurrence on the scope and schedule by November 15, 2015.
 - d. Earned Value data from the IIP will be used to determine fee payments for this activity. Expected performance for fee payment purposes will be within + or - 10% for cost and schedule variance, a penalty will be applied for variances lower than -10% (e.g., -15%) and a stretch incentive will be applied for variances higher than +10%. Incentive/penalty provisions for variances will be established between DOE and Contractor after IIP scope and schedule is determined.
- (2) Base – (\$200,000 Total) Fee of \$80 per container is earned for completion of initial characterization of unknown containers characterized up to 2,500 containers.
- (3) Stretch – (\$250,000 Total) Fee of \$100 per container is earned for completion of initial characterization of unknown containers characterized beyond 2,500 containers, up to a total of 5,000 containers.
- (4) Base – (\$80,000 Total) Fee of \$20,000 is earned for the completion of characterization of each of four (4) small waste streams (Bendix, Monsanto, JC Haynes, and Mexican Americium).
- (5) Stretch – (\$240,000 Total) Fee of \$60,000 is earned for the completion and submittal of an Acceptable Knowledge summary report, or for obtaining approval of MLLW waste stream profile forms as appropriate of each of four (4) small waste streams (Bendix, Monsanto, JC Haynes, and Mexican Americium).
- (6) Base – (\$500,000 Total) Fee of \$125,000 is earned per 400 m³ up to a total of 1,600 m³ for additional feed made available for treatment in the SRP at ARP V.

At the end of the contract period (March 31, 2016), any work completed beyond a 400 m³ increment will earn fee on a prorated basis (\$312.50/m³).

- (7) Stretch – (\$250,000 Total) Fee is earned for the development and implementation of criticality controls and other documentation that is necessary to introduce up to 800 FGE boxes into the TF. Completion of this item occurs once all documentation is prepared such that the Contractor would be able to enter into readiness activities.
- (8) Base – (\$50,000 Total) Fee is earned by developing a process to treat the current inventory of squeezants and completion of the treatment of the first container of squeezants.
- (9) Stretch – (\$150,000 Total) Fee of \$1,000 is earned per squeezant container when the contents of the container on the List of Squezzant Containers, dated August 5, 2014, are either certified as TRU waste or shipped off-site as MLLW. The intent 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.
- (10) Base – (\$50,000 Total) Fee is earned for the delivery to DOE by March 31, 2016, of a detailed waste inventory showing remaining waste by type and characteristics that will drive treatment needs. This must include an estimate of the types and quantities of waste that remain to be retrieved based upon historical knowledge.
- (11) Base – (\$13,000 Total) Fee is earned for preparing Certified Rows of TRU waste, defined below, 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 March 31, 2016, 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 circumstances other than previously stated, 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:

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

- (12) Base – (\$50,000 total) Fee of \$25,000 is earned for completion of each treatability study, for a total of two studies.
- (13) Base – (\$20,000 total) Fee is earned for transfer of activities and addressing all CBFO CCP audit concerns and findings within 30 days of audit completion.

(d) RESERVED

- (e) Fee 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) All fee is deemed earned upon payment. Contractor may submit requests for payment of fee on a monthly basis.
- (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 fee payments made during this six-month period 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

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 March 31, 2016. 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 March 31, 2016, subject to Federal Acquisition Regulation (FAR) Clause 52.232-22 Limitation of Funds.